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Algeria 6.00 Dn. Israel NIS 1.80 Norway 7.50 NKr
Austria 20 S. Italy 1,700 Lire Oman 0.700 Rials
Bahrain 0.650 Dm. Jordan 450 Fils Portugal 110 Esc
Belgium 49 B.Fr. Kenya Shs. 20.00 Qatar 6.50 Rials
Canada C.$ 1.50 Kuwait 500 Fils Rep. of Ireland .70 P
Cyprus C.£ 0.70 Lebanon 15.50 Saudi Arabia 6.00 R
Denmark 9.00 D.Kr. Libya L.Dn. 0.75 Spain 125 Ptas.
Egypt 175 P. Luxembourg 49 L.Fr. Sweden 7.50 S.Kr.
Finland 7.50 F.M. Malaysia 3.20 Fls Switzerland 2.20 S.Fr.
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U.S. Offers Medium-Range Missile Cuts

By Bernard Weinraub
New York Times Service

WASHINGTON — President Ronald Reagan has sent a proposal to Mikhail S. Gorbachev, the Soviet leader, seeking the elimination of U.S. and Soviet medium-range missiles in Europe and Asia over the next three years, according to administration officials.

In a comprehensive letter to Mr. Gorbachev, Mr. Reagan also rejected the Soviet proposal to freeze British and French medium-range nuclear forces at current levels, the officials said Saturday.

Mr. Reagan's letter, which was sent Saturday, was intended in large part to respond to the Soviet leader's proposal on Jan. 15 that all nuclear weapons be eliminated by the year 2000.

Administration officials said the letter also was intended to put the Soviet Union on the defensive about nuclear arms control as both sides start preparing for the next summit meeting between Mr. Reagan and Mr. Gorbachev in the early summer or fall.

An administration official said Mr. Reagan indicated to Mr. Gorbachev that it was, in the official's words, "a good idea" to eliminate nuclear weapons by 2000.

"The fact is, let's get down to brass tacks; to move from here to there, let's start with INF," was how the official characterized the message.

INF is an abbreviation for intermediate-range nuclear forces, which according to officials were the focus of Mr. Reagan's letter.

Administration officials said Mr. Reagan proposed the elimination of all intermediate-range nuclear forces, or weapons with a range of about 3,400 miles (5,520 kilometers), in three years.

Officials said that reducing intermediate-range arms would serve as a first step in cutting all Soviet and American strategic forces by 50 percent, as Mr. Reagan and Mr. Gorbachev agreed last November.

"The emphasis is reaching zero in three years," one official said.

"It kind of calls their bluff," he added, "because if they want to move ahead on INF and get something done in that realm, well, here's the president saying, 'Let's do it in three years.'"

An official said Mr. Reagan's letter included a renewed U.S. commitment to abolish chemical weapons. Mr. Reagan also told the Soviet leader that the United States was awaiting a detailed response to a U.S. proposal at the Strategic Arms Reduction Talks in Geneva last November.

Administration officials indicated that several options would be offered to the Soviet Union for eliminating the intermediate-range forces, which include Soviet SS-20 missiles and U.S. Pershing-2 ballistic missiles and ground-launched cruise missiles.

The U.S. proposal is designed to alleviate concerns that Japan expressed to Edward L. Rowny, the U.S. arms-control adviser.

Mr. Rowny discussed the plan in recent weeks with the governments of Japan, South Korea and Australia, among other nations.

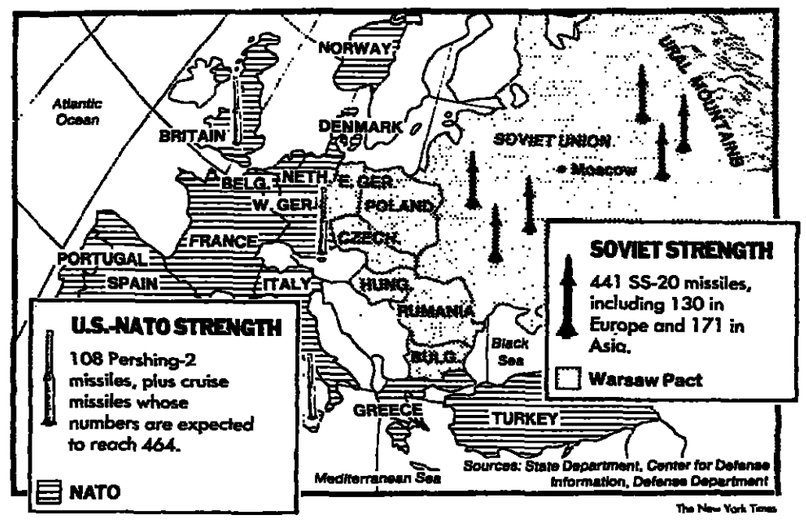
The Japanese were especially concerned that the original U.S. plan treated Asian security as a secondary concern because it allowed the Russians to keep up to half of their current SS-20s in Asia while calling for the elimination of Soviet intermediate-range missiles in Europe.

The new plan calls for the elimination of SS-20 missiles in the Far East and for proportionate reductions in Asia during the three-year period.

A key option to be sent to Mr. Gorbachev, officials said, would be to eliminate all U.S. and Soviet medium-range missiles from Europe, limit Soviet deployment of SS-20 medium-range missiles to Soviet Central Europe and allow the United States to keep an equal number of missiles in the United States.

Under Mr. Reagan's proposal,

(Continued on Page 2, Col. 6)



Marcos Vows to Crush Revolt Of Philippine Military Chiefs

By Michael Richardson
International Herald Tribune

MANILA — The Philippine defense minister and deputy military chief of staff defected to the opposition with hundreds of troops over the weekend and were occupying part of the Philippine Constabulary headquarters early Monday as they called for President Ferdinand E. Marcos to resign.

Mr. Marcos responded by warning that he would "wipe out" the rebel forces led by his defense minister, Juan Ponce Enrile, and the deputy military chief of staff, Lieutenant General Fidel V. Ramos, unless they agreed to surrender.

[Soldiers loyal to Mr. Marcos were reported to have fired tear gas just before dawn Monday into a crowd of civilians outside the installation held by rebellious military units, United Press International reported.

[Radio Veritas, the church radio, reported that battalions of Marcos forces were advancing on the rebel stronghold. Civilians were being "tear-gassed heavily," the radio said.]

In a defiant and angry speech early Monday, Mr. Marcos said that the two men, who announced Saturday that they were joining the opposition, wanted to "grab power" and form an illegal junta to run the country.

He also accused Cardinal Jaime L. Sin, archbishop of Manila and the most senior member of the influential Roman Catholic hierarchy in the Philippines, of "spouting all kinds of sedition," adding: "We'll attend to that later on."

Corazon C. Aquino, the main opposition leader, has insisted that Mr. Marcos only won the Feb. 7 presidential election because of massive fraud and coercion.

Some of Mrs. Aquino's advisers are urging her to step up her challenge to Mr. Marcos's legitimacy by announcing she has formed a rival administration before he is sworn in for a new six-year term on Tuesday. Mr. Enrile said Sunday he would welcome and support such a move.

In a press conference Sunday, Mr. Marcos said that if Mrs. Aquino formed a provisional government she would be committing "another form of rebellion" and would be treated accordingly.

Diplomats said Mr. Marcos's speech early Monday on government television foreshadowing a harsh crackdown on all his leading opponents was an attempt to recover some of his battered authority.

One commented: "With the military quarreling, obviously his power base is getting narrower and narrower. It was a major blow to have two such close associates as Enrile and Ramos defect to the opposition."

The two men, who were part of a small group that helped Mr. Marcos plan and apply martial law rule from 1972 to 1981, accused him Saturday of trying to perpetuate an "illegally installed" and "repressive" regime.

They said they recognized Mrs. Aquino as the country's legitimate president and military commander in chief and called on other senior members of the government and military to do the same.

In what opposition sources predicted would be a continuing exo-

(Continued on Page 4, Col. 6)

The Associated Press

Juan Ponce Enrile, center, the former defense minister, on Sunday at Camp Crame.

ON PAGE 4

- Juan Ponce Enrile saw the rebellion as an act of contrition.
- The military revolt grew out of reports that the defense minister and deputy chief of staff were about to be arrested.

Aquino Backers Win a Bloodless Battle

International Herald Tribune

MANILA — Several hundred thousand civilians scored a tactical victory over the military might Sunday by preventing an elite Philippine marine batallion led by armored vehicles from reaching the headquarters of anti-government rebels.

When the confrontation began Sunday afternoon, it was feared that there could be large-scale loss of life as amphibions assault tanks, scout cars and heavily armed troops barged through the ranks of opposition supporters.

But shortly after nightfall, the troops retreated and the crowds lining the highway leading back to the military base applauded and cheered.

President Ferdinand E. Marcos and his armed forces chief of staff, General Fabian C. Ver, ordered the marines and several other units to move on the camp, where the former defense minister, Juan Ponce Enrile, and the vice chief of staff, Lieutenant General Fidel V. Ramos, had established a base.

In a dramatic defection Saturday, the two men announced that they had switched their support to Corazon C. Aquino, who asserts that she was cheated of victory in the election Feb. 7 and is demanding that Mr. Marcos resign.

Mr. Enrile and General Ramos have taken refuge in Camp Crame, the national police compound, and are guarded by hundreds of troops. But they are greatly outnumbered and outgunned by units in Manila and nearby areas headed by commanders loyal to the president.

At a press conference late Saturday, Mr. Marcos warned the rebels to surrender or face capture.

"We will not stall our action very long," he said. "You are vulnerable to artillery and tank attacks."

But he and his top brass evidently failed to take account of what General Ramos, a graduate of West Point military academy, called Sunday "the use of a nonviolent approach, letting people's power do the work."

Shortly after the Enrile-Ramos defection was announced, the political opposition, leaders of the Roman Catholic Church and the church's radio network began mobilizing people to form a huge protective phalanx of unarmed civilians around Camp Crame and its entrances.

By the time the 500-strong marine combat unit with about a dozen armored vehicles started down Epifanio de los Santos avenue early Sunday afternoon, several hundred thousand people — men and women, young and old, including families with children — thronged the double-lane highway.

The marine advance was blocked at a road junction about two kilometers (1.2 miles) from Camp Crame. Rows of buses had been parked across the highway. The civilian crowds swarmed around

(Continued on Page 4, Col. 5)

The Associated Press

Thousands of civilians blocked Philippine Army tanks on a street in Manila as they moved toward Camp Crame, which was being occupied by defectors from the government.

U.S. to Halt Aid if Army Attacks Foes

United Press International

WASHINGTON — President Ronald Reagan warned President Ferdinand E. Marcos of the Philippines on Sunday that if he did not refrain from using his forces against opposition leaders, the United States would cut off aid to the Philippine military immediately, a spokesman said.

The White House spokesman, Larry Speakes, said that Mr. Reagan was growing more concerned about Marcos forces moving forcefully against Philippine citizens with tanks and tear gas.

He said that the president appealed to Mr. Marcos to avoid an attack against the military leaders who resigned the Philippine government Saturday.

"Attempts to resolve the situation by force will surely result in casualties," Mr. Speakes said. He said this would cause "untold damage" to the relationship between the United States and the Philippines.

Mr. Speakes said the president met with his National Security

(Continued on Page 4, Col. 4)

Beggs Will Resign Soon As NASA Administrator

By Philip M. Boffey
New York Times Service

WASHINGTON — James M. Beggs, who is on leave as administrator of NASA, will resign soon and is expected to be replaced by someone from outside the agency, according to Reagan administration officials.

High-ranking officials from both the White House and the National Aeronautics and Space Administration confirmed Friday that Mr. Beggs had said he would be leaving shortly, although the precise timing of his formal resignation remained uncertain.

Mr. Beggs took leave of his post after being indicted last December on charges stemming from his years as an aerospace industry executive.

He is known to have strongly urged the White House not to appoint the agency's acting administrator, Dr. William R. Graham, as his successor.

But White House and NASA officials both emphasized that Mr. Beggs did not make this a condition for submitting his resignation. Relations between Mr. Beggs and Mr. Graham have become so strained that they barely speak to each other.

A senior White House official said Friday that the Reagan administration was looking outside NASA for a new leader.

Another senior White House official said that was being done in the belief that someone not directly involved in the agency's current troubles was needed to restore confidence in the nation's space program.

He said that while there had been tension between Mr. Beggs and Mr. Graham, "we're not about to let Beggs dictate a successor." But at the same time, the official acknowledged, there was a "lot to compel" the White House to choose a replacement from outside NASA.

The leading contender for the job, according to a senior White House official, is Edward C. Aldridge Jr., undersecretary of the Air Force. Another strong candidate on the the White House list, the official said, is Dr. James Fletcher, former administrator of the space agency, who has said he would "have to be dragged kicking and screaming" to take the job but would find it difficult to turn down a presidential request.

[The possible nominees also include Frank Borman, the former astronaut, and Lieutenant General James A. Abrahamson, director of President Ronald Reagan's research program for space-based missile defense program, White House sources told the Los Angeles Times.]

The choice of a new administrator from outside the agency would be another jolt in the management of NASA, which has been under relentless pressure and scrutiny since an explosion destroyed the shuttle Challenger after launch on Jan. 28, killing the seven crew members.

Mr. Beggs was indicted in December on federal charges that from 1978 to 1981, while he was an executive of the General Dynamics Corp., he and three other executives helped defraud the U.S. Army on charges in a contract for a prototype of the Sergeant York antiaircraft gun. Under pressure from the White House, he took a leave of absence without pay while he fights the charges in the courts.

As a result, Mr. Graham, who was new to the agency, was elevated to acting administrator. Less than two months later the agency

(Continued on Page 3, Col. 4)

Gerhard Preiss

James M. Beggs

Hussein Asks Palestinians to Decide Who Should Lead Them

By Judith Miller
New York Times Service

AMMAN, Jordan — King Hussein of Jordan, in his first public challenge to the leadership of Yasser Arafat, chairman of the Palestine Liberation Organization, has called on the Palestinian people to decide who should lead them.

In an interview Saturday, he said he would "respect" a decision by Palestinians to preserve the PLO as the "sole legitimate representative" of the Palestinian people. But he said another "apparatus" to express their wishes also would be welcomed in Jordan.

"The Palestinians must now make a decision," the king said. "Are they happy with creeping annexation of their land by Israel and their possible expulsion from Palestine? If they're unhappy, what do they want us to do about it?"

Hussein did not directly question Mr. Arafat's leadership of the PLO, nor did he openly call on Palestinians to renounce the designation of the PLO as the official representative of Palestinians everywhere.

But diplomats and analysts in Amman interpreted the king's remarks as an unmistakable challenge to the PLO's leadership.

Asked if he was demanding that Palestinians make a choice on their future leadership, Hussein replied: "I'm simply saying that the Palestinians must begin their own dialogue. They must say whether we are right or wrong, or come up with something else."

On Saturday, the lower house of Jordan's Parliament issued a communiqué supporting the king's position and asserting that the Parliament represented Palestinians in Jordan and in the Israeli-occupied West Bank.

The king issued his unusual appeal for a vote of confidence from Palestinians and his observations about the collapse of the most recent round of Middle East peace efforts in an interview at Nadwa Palace. His remarks were his first detailed elaboration on a speech to the nation on Wednesday.

In his three-and-a-half-hour address, the king said he could not continue a year-old effort to work with the PLO toward peace talks with Israel. He said the PLO had failed to live up to earlier assurances to him.

Hussein said he did not agree with some Middle East analysts that the breakdown of the talks signaled an end to hopes of reviving the peace process.

"This is the end of a chapter, not of the book," he declared.

He denied that his speech had been an attempt to lay the groundwork for entering direct negotiations with Israel without the PLO, or to substitute Jordan for the PLO as spokesman for the Palestinians.

But he left open the possibility that Jordan might enter negotiations with Palestinians other than the PLO through an international conference, if Palestinians decided they wanted such an arrangement.

Hussein declined to state how Palestinians might express their political preferences, especially the 1.3 million who live in the West Bank and the Gaza Strip, which is also occupied by Israel. But he strongly indicated that he felt the time had come for Palestinians to express their views about who should represent them and what political course their leaders should take.

"Once they define what they want, they can create an apparatus to express themselves," the king said. "If it is the PLO, we will respect this."

Hussein said he was not calling on Arab leaders to reconsider their designation of the PLO in 1974 as the "sole legitimate representative" of Palestinians. The matter, he said, is for the Palestinians to decide.

He also discounted speculation

(Continued on Page 2, Col. 5)

Saudis Admit Undercutting Oil Prices

Reuters

MANAMA, Bahrain — Saudi Arabia acknowledged over the weekend that it had been selling crude oil at spot market prices for three months, well below official OPEC levels. Oil prices have dropped by half to seven-year lows during that period.

But the kingdom, the largest producer in the Organization of Petroleum Exporting Countries, said in a statement through its Oil Ministry that it was making efforts to "ensure the return of prices to just and acceptable levels." It called for cooperation to this end from "any loyal party."

The statement was carried Saturday by the official Saudi Press Agency. Oil analysts said that it could be a signal that Saudi Arabia felt prices had fallen far enough.

In Tehran, Iran's oil minister said Saturday that Iran, Libya and

Independent refiners are profiting from lower oil prices. Page 7.

Algeria would propose a halt in oil production from two weeks to one month by OPEC countries when ministers of the 13-member organization meet March 16 in Geneva. Iran has blamed high Saudi production for the fall in prices.

The Iranian minister, Gholamreza Aqazadeh, was quoted by Iran's official news agency as saying that after pumping resumed, OPEC production should be cut by 10 million barrels daily.

OPEC ministers, at their last meeting in December, decided to abandon a policy of production restraint and seek an undefined fair share of the market with non-OPEC producers. Since then, OPEC output has risen to 18 million barrels per day or more, above the previous ceiling of 16 million.

Prices have slumped as a result. On Friday, the benchmark U.S. crude, West Texas intermediate, fell below $14 a barrel on the New

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AP/1936

'Red' Ruffing, the legendary Yankees pitcher, is dead at 81. Page 3.

INSIDE

■ Rajiv Gandhi's honeymoon with the Indian press and political opposition is over. Page 2.

■ Voyager-2 yields evidence that Uranus is covered by a deep superheated ocean. Page 3.

■ The 27th party congress will mark a decisive Phase of Gorbachev's regime. Page 5.

BUSINESS/FINANCE

■ Bankers are beginning to take a new critical look at the credit standing of East European borrowers. Page 11.

Honeymoon Ends as Gandhi Falters on Oil, Punjab

By Steven R. Weisman
New York Times Service

MADRAS, India — Prime Minister Rajiv Gandhi, who has enjoyed nearly universal praise for his political skills, has run into an unusual storm of criticism over several recent steps and missteps.

Mr. Gandhi's aides say that his "honeymoon" with the press and with the political opposition, which had continued since he took office on Oct. 31, 1984, has at last come to an end.

"The euphoria has to stop," Mr. Gandhi, 44, acknowledged recently in an interview with the magazine India Today. He sounded somewhat philosophical over the turn of events.

Opposition leaders refused to meet with Mr. Gandhi on the eve or the opening of Parliament last week and boycotted the prime minister's speech on the opening day. Instead, they took to the streets with several thousand supporters to protest his policies.

The protest focused on a decision by the government Feb. 1 to increase prices on gasoline and other petroleum products just as worldwide oil prices were collapsing.

The Finance Ministry defended the price increases, saying they were necessary to curb oil imports, reduce energy consumption and provide revenues for economic development. But a senior official acknowledged that the announcement was badly timed and poorly explained to the public.

Protests erupted across India against the price increases, which led to higher bus and train fares. The government was forced to announce a small rollback of its price increase.

"Time and again, the government has come across as functioning in an amateurish and shortsighted manner," commented India Today, which usually is friendly to Mr. Gandhi.

"Decisions taken one day seem to be reversed the next," the magazine said. "People appointed to one job are abruptly shifted to another. The prime minister says he believes in one thing, his government does quite another."

According to surveys conducted by Indian news organizations, middle- and upper-class Indians who have supported Mr. Gandhi's economic policies in the past are worried that the petroleum price increases may foreshadow a general rise in the cost of living.

Mr. Gandhi also was criticized for his failure to execute a key portion of the accord that he negotiated last year to settle the crisis involving Sikhs in Punjab state. The pact had been widely praised as his biggest accomplishment.

Tha accord called for the city of Chandigarh, which served as the joint capital of Punjab and Haryana states, to be transferred to the sole control of Sikh-controlled Punjab on Jan. 26. But the day came and went without the transfer taking place.

The delay was prompted by the failure of politicians to agree on which territories were to be given to Hindu-controlled Haryana in return for losing its share of Chandigarh.

The border dispute has gone on for years, but Mr. Gandhi had raised expectations that it could be solved on time. Critics say the failure has weakened the hand of the moderate Sikh leaders who govern Punjab in their battle with Sikh radicals.

Killings in Punjab, which are attributed to Sikh radicals who have taken over the Golden Temple complex in the Sikh holy city of Amritsar, have been increasing amid demands that Mr. Gandhi take some form of action.

But the prime minister, mindful that his mother, Prime Minister Indira Gandhi, was assassinated after she sent in the army to end a previous occupation of the Golden Temple by Sikh radicals in 1984, has remained aloof in the hope that the Punjab government can deal with the problem.

In the business sector, officials have been grumbling that Mr. Gandhi's program to deregulate industry has not been carried out to the extent they had hoped.

They also complain that the Finance Ministry has singled them out for tax raids while ignoring tax evasion by government officials.

The prime minister also has been troubled by the recent loss of a Parliament seat that had been deemed safe for his Congress (I) Party, and the near loss of another.

Aides to Mr. Gandhi said that a downswing was inevitable after a period of extraordinary good will toward the prime minister. But some aides acknowledged that the government has blundered on occasion.

There has been much gossip in New Delhi about the handling of an American television program on Mr. Gandhi that was supposed to have been shown on the Indian government-owned network.

The program, "Rajiv's India," was canceled after key political allies to Mr. Gandhi complained that it while it praised him, it was not flattering to his mother.

An aide to Mr. Gandhi said the prime minister was besieged by requests from his subordinates to view the film and decide whether it should be shown.

Mr. Gandhi refused, the aide said, apparently fearing adverse publicity if it became known that he was screening Indian television programs for their acceptability.

For many, the furor over the program demonstrated that Mr. Gandhi had yet to gain control of the government despite impressive early reviews.

AP

Rajiv Gandhi

WORLD BRIEFS

Mob Burns Buildings in South Africa

JOHANNESBURG (UPI) — Two restaurants, a doctor's office, two shops, a government office and several houses were burned Saturday as about 500 people rampaged through the black township of Nelspruit, about 200 miles (325 kilometers) east of Johannesburg, police said Sunday. Three trucks and 23 cars also were set ablaze, they said. Police said they arrested three men.

In Pretoria, police said a bomb explosion in a phone booth Sunday damaged a post office and several shops shortly after midnight in the white suburb of Meyerspark. They said there were no injuries.

In another incident Saturday, police said radicals in the Pretoria township of Soshanguve put a car tire soaked with gasoline around the neck of a black policeman and burned him to death, after he attended the funeral of a pupil shot by police about a week earlier.

Tylenol Inquiry Shifts From Factory

WASHINGTON (LAT) — Tylenol capsules laced with cyanide that are believed to have caused the death of a Peekskill, New York, woman probably were tampered with after they left the factory, according to the preliminary results of an FBI investigation.

"Our investigation to date indicates that it is unlikely that contamination occurred during the manufacturing stages," a spokesman for the Federal Bureau of Investigation, Lane Bonner, said Friday. "However, we will continue to examine all possibilities."

Also on Friday, the Food and Drug Administration commissioner, Frank E. Young, held a two-hour closed meeting with representatives of 15 consumer groups who urged him to conduct a public education campaign on the signs of tampering.

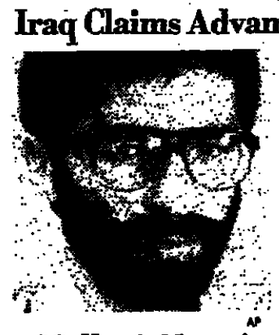
Palauans Endorse Compact With U.S.

KOROR, Palau (AP) — Palauans have endorsed a new political relationship with the United States by nearly a 3-1 margin, according to an unofficial count Sunday of referendum returns. The approval could bring the Western Pacific island nation self-government and a large amount of economic aid in exchange for military concessions.

The new compact, signed on Jan. 10 by Palauan and U.S. negotiators, gives the United States military concessions it considers important to Pacific defenses and denies access to third-country military forces. It contains nearly $1 billion in U.S. assistance, the bulk of it in the first 15 years of the 50-year agreement. It still must be approved by the U.S. Congress and the United Nations Security Council.

Palau, a republic of 14,000 people on eight of 200 coral islands, is the westernmost of four political entities in the Trust Territory of the Pacific Islands. The new pact and subsidiary agreements grant the United States joint control of Palau's harbor, airport and 30,000 acres (12,120 hectares) of land for military use. The agreements prohibit the United States from using, testing, storing or disposing of nuclear, toxic, chemical, gas or biological weapons intended for warfare in Palau's territory.

Iraq Claims Advance in Gulf War



AP

Mir Hussein Moussavi

BAGHDAD (Reuters) — Iraqi forces fighting Sunday to retake the southern tip of the Faw peninsula from occupying Iranian troops recaptured an important communications junction, the Iraqi news agency reported.

It said that the Iranians struck at advancing Iraqi southern and central columns but that the central column launched a new attack and seized the junction.

In Tehran, Prime Minister Mir Hussein Moussavi said that Iranian troops had repelled an attack and no ground was lost.

Police Kill Salvadoran General's Son

SAN SALVADOR (UPI) — National police agents accidentally shot to death the son of the head of the Salvadoran Air Force as he left his home early Sunday, police said.

Officials first speculated that the death of Ivan Benjamin Bustillo Valencia, 19, may have been caused by leftist guerrillas fighting the U.S.-backed government. But the military press office called the death of Mr. Bustillo, son of General Adolo Bustillo, who heads the nation's air force, a "lamentable incident."

The statement said Mr. Bustillo fired two pistol shots into the air as he left his home "in the early morning hours" without realizing he was near a checkpoint set up by the National Police. "The agents, when they heard the shots, reacted immediately, firing at the vehicle . . . one of the bullets killed Ivan Benjamin instantly," the statement said.

Madrid Marchers Urge NATO Pullout

MADRID (Reuters) — A crowd estimated at more than 500,000 by organizers marched through Madrid on Sunday to demand Spain's withdrawal from the North Atlantic Treaty Organization.

More than 150 pacifist, ecologist and leftist political groups took part in the demonstration, which was designed to influence voting in a national referendum on NATO membership scheduled for March 12.

A poll published Sunday by El País, a Madrid newspaper, said that 34.2 percent of those surveyed were against NATO membership, with 25.2 percent in favor.

For the Record

The Angolan president, José Eduardo dos Santos, has dismissed the security minister, Colonel Julio Mateus Paulo, and his deputy minister, Mendes Antonio de Castro, and has taken charge of security matters himself, the government said Saturday. *(Reuters)*

The death of Larry Wu-Tai Chin, the former U.S. Central Intelligence Agency analyst who was convicted of spying for China, has been ruled a suicide after an autopsy performed Saturday. Mr. Chin, who was found Friday in a Virginia jail with a bag tied over his head, died of asphyxiation. *(Reuters)*

Lesotho's military rulers have freed three former ministers of the civilian government they overthrew Jan. 20, Radio Lesotho said Sunday. They are Desmond T. Sixishe, former information minister; Vincent Montsi Makhele, former foreign minister, and Francis Matholoane, the former minister for cooperatives and rural development. *(Reuters)*

Nicaragua Rejects Talks With Rebels

By Stephen Kinzer
New York Times Service

MANAGUA — President Daniel Ortega Saavedra, speaking at the opening of the 1986 session of the National Assembly, has rejected U.S. demands that his government negotiate with U.S.-backed rebels but said it was ready to negotiate security concerns with the United States.

In the speech Friday, Mr. Ortega reiterated that the governing Sandinist National Liberation Front would not discuss changes in its domestic policies.

"It would not occur to us to ask for internal changes in the United States," Mr. Ortega said, "even though we may not be in agreement with many aspects of the democracy, or so-called democracy, that exists there."

The Reagan administration has said that no end to the fighting in Nicaragua is possible unless the government lifts press censorship, reaches accords with Roman Catholic bishops and loosens restrictions on private business.

In Washington, meanwhile, President Ronald Reagan told Republicans in the House of Representatives on Friday that he would make a major television speech about military matters next week. The congressmen said later that he also would use the speech to push for new military aid for the Nicaraguan rebels.

"Why does the Reagan administration want dialogue with the counterrevolutionaries, to achieve peace in Nicaragua?" he asked. "They want dialogue in order to destroy the revolution, and those Nicaraguans who repeat these words are either stupid or, more likely, are being paid by the CIA."

Mr. Ortega estimated that there have been 23,822 casualties in the five-year conflict between government forces and the rebels. He said the figure included 13,930 dead, counting the losses by the army, the rebels and civilians.

He said the per-capita income of Nicaraguans had fallen to the level of 15 years ago and that 38.4 percent of the national budget was being spent for defense. However, most of the statistics presented by Mr. Ortega showed government successes in 1985.

The Associated Press

Israeli soldiers return on a personnel carrier from Lebanon after the search was called off.

Israeli Army Pulls Back in Lebanon, Ending Search for 2 Captured Soldiers

Reuters

TEL AVIV — Defense Minister Yitzhak Rabin said Sunday that Israel had halted its search after five days for two captured soldiers in southern Lebanon after having failed to obtain clear information on their whereabouts.

He said he ordered a withdrawal Saturday from areas north of Israel's proclaimed "security zone" in Lebanon after the search became counter-productive. He said that Israel would continue "through various means" to try to trace the missing men.

"We have no definitive information where the kidnapped soldiers are," Mr. Rabin told state radio.

The two 20-year-old Israeli soldiers were captured during an ambush Feb. 17. A Shiite militia, Hezbollah, or Party of God, had claimed responsibility for the ambush. It later said it killed one of the captives after Israel ignored an ultimatum to end the search.

"A contradiction was created between the general aim of ensuring security for the north and the moral necessity for the Israeli Army to search for its soldiers," he said.

Mr. Rabin said extremism in southern Lebanon might increase because of Israel's search, in which 14 suspected guerrillas were killed.

"The local populace certainly didn't like the Israeli Army taking control and the searches," he said. "But I think they understood we had no intention of remaining there. Some will take advantage of this to win more control and influence among the Shiites."

Mr. Rabin blamed the Shiite Amal militia for most of the attacks against Israeli forces in the search area. Two Israeli soldiers were killed during the operation.

He said Amal had fired most of the rockets at the Galilee area during the operation.

■ Artillery Fires on Tyre

The Israeli military fired artillery barrages at the Lebanese port city of Tyre on Sunday after several guerrilla rockets fell in northern Israel, The Associated Press reported from Tel Aviv.

Israeli radio reported that the rockets had been launched from Tyre, 12 miles (20 kilometers) north of the Israeli border.

Chad Says It Captured 1,000 Rebels in War

Reuters

NDJAMENA, Chad — Chad has captured about 1,000 prisoners in this month's fighting with Libyan-backed rebels, according to the government.

Ten prisoners shown to the press here Saturday were all Chadians and said they had been forced to fight on the rebel side.

"Those who refused to fight were shot by the Libyans," one of them said.

The government described last week's flare-up in the 20-year civil war as a Libyan attack and on Friday, two Libyan prisoners were shown to the press in Ndjamena.

But the prisoners interviewed Saturday said most of the fighting by the rebels, led by former President Goukouni Oueddei, actually was done by Chadians.

"The Libyans ordered us to march in front," one prisoner said. "They stayed in the rear and when the fighting started they ran away."

The figure of 1,000 captured was given by Information Minister Soumaila Mahamat, who said the prisoners were being held in camps near the battle area in the center of the Chadian desert.

One of the prisoners, who said he was a former Chadian civil servant conscripted into Libya's "Islamic Legion," said there were from 3,000 to 4,000 Libyans in northern Chad.

France has sent four Jaguar strike aircraft, six Mirage F-1 interceptors and 750 military personnel to Ndjamena to deter further offensives by the Libyan-backed rebels.

The French brought 24 armored vehicles equipped with 90-mm cannon overland from Cameroon, French military sources said.

Most of the vehicles now have been airlifted north to Chadian government outposts facing rebel positions across the division between the government-held south and the rebel-controlled north.

The airlift was carried out by two C-130 Hercules military transport planes supplied by France and the United States.

Officials of President Hissène Habré's government have expressed delight at the speed of France's response to their request for increased military aid and the Feb. 16 French air raid on the Libyan-built Ouadi Doum airstrip in northern Chad.

■ French Stake in Chad

Earlier, Richard Bernstein of The New York Times reported from Paris:

The ultimate stake for France, which has hearty U.S. approval, is its role as the guarantor of stability, not just in Chad but throughout central Africa.

As the most important former colonial power still directly involved in central Africa, France has, in the words of one diplomat in Paris, served Western interests in the region "by doing what none of the other Western powers have the resources to do."

Specifically, France does two things. It keeps small military detachments in four countries — the Central African Republic, Gabon, Senegal and Djibouti. And it assiduously cultivates what it calls its "special relationship" with former colonies.

Chad is a key element in the French strategy. The southern half of the country has borders with five central African nations: Niger, Nigeria, Cameroon, the Central African Republic and Sudan. Thus, it is a potential gateway to the entire region for whatever foreign power is close to the government in Ndjamena.

Moreover, Chad has become the focal point of competition for influence between France, as the representative of the West, and the unpredictable Colonel Moamer Qadhafi of Libya. Most of the other nations in the area have welcomed the intervention of the former colonial power because they mistrust Libya.

The Libyans have been deeply involved in Chad since at least 1973, when Colonel Qadhafi annexed the Aouzou Strip in the north. Since then, as Libya has supported the rebels based in the north, France has intervened militarily several times to protect various governments based in Ndjamena.

Last week, France showed by its air attack and dispatch of troops that it is willing to be tougher with the Libyans than it was in 1984, when French troops pulled out although Libyan ones remained in Chad.

Even so, the French do not seem to be ready to enter a full-blown conflict with the Libyans. They apparently believe that keeping Colonel Qadhafi out of the southern half of Chad wards off any Libyan threat to the rest of central Africa.

The Associated Press

Wladyslaw Frasyniuk's mother, Zofia, and wife, Krystyna, weep after a court rejected an appeal to cut his prison term.

Polish Court Reduces Terms Of 2 Top Solidarity Activists

By Michael T. Kaufman
New York Times Service

WARSAW — The highest Polish appellate court has reduced the prison terms of two leading Solidarity activists, who were sentenced in Gdansk last June for fomenting unrest. But the court left unchanged the term given to a third man in the same case.

The three-judge panel rejected Friday arguments by defense lawyers that the trial judge had made at least 25 errors in trying the three men, Adam Michnik, Bogdan Lis and Wladyslaw Frasyniuk, for their roles in planning a 15-minute general strike, which was ultimately called off.

But the judges accepted assertions that, while both Mr. Michnik and Mr. Lis had been confined for several years under martial law, they had never been convicted. Thus, they could not be considered repeat offenders.

Consequently, the two-year sentence given to Mr. Lis and the two-and-a-half-year sentence given to Mr. Michnik were reduced by six months. Mr. Frasyniuk is serving a three-and-a-half-year sentence.

The reductions mean that with time off for good behavior, Mr. Lis could be released in June and Mr. Michnik in October, the lawyers said.

Mr. Michnik, a historian, has a volume of writings smuggled from prison that is to be published soon in English under the title "Letters From Prison."

■ Prison Conditions Assailed

Family sources said that Mr. Lis will begin a hunger strike Monday to protest prison conditions, United Press International reported Saturday from Warsaw. The sources said he has not been allowed to receive letters or parcels containing food or clothes, or to have regular walks.

Hussein Asks Palestinians For a Leader

(Continued from Page 1)

in Amman that his rift with Mr. Arafat would prompt Jordan to embrace Syria as a potential negotiating partner in peace talks.

The king characterized the recent reconciliation between Jordan and Syria as a bilateral development that would continue. He said that President Hafez al-Assad of Syria would soon visit Amman, and that the date for the visit would be set in the near future. He confirmed that Mr. Assad had called him after his speech, but he declined to discuss the Syrian leader's reaction.

There have long been tensions between Jordan and the PLO, which were involved in a fierce war in 1970 that led to the PLO's expulsion from the country in 1971.

■ Peres Told of Vow to PLO

William Claiborne of The Washington Post reported from Jerusalem:

Prime Minister Shimon Peres of Israel has known for weeks that the United States had promised the PLO that it could participate in an international peace conference if it met certain conditions, informed Israeli government sources said Saturday.

Although Mr. Peres's office was informed of the Jan. 25 promise made by Richard W. Murphy, assistant secretary of state for Near Eastern and South Asian affairs, neither the Israeli Foreign Ministry nor the Israeli ambassador to Washington, Meir Rosenne, was told of it. The omission led Foreign Minister Yitzhak Shamir to complain Saturday that he viewed the "change" in U.S. policy with "extreme gravity."

When Mr. Rosenne met Friday with Mr. Murphy and the undersecretary for political affairs, Michael H. Armacost, he complained that Israel did not know about the Jan. 25 offer made to Hussein that the PLO could participate in a peace conference if it accepted United Nations resolutions recognizing Israel's right to exist within secure borders, expressed its willingness to negotiate with Israel and renounced terrorism.

Saudis Disclose Sales Of Oil at Spot Prices

(Continued from Page 1)

York Mercantile Exchange and on the spot market.

Mobil Corp. reduced its contract price $3 to $18.75 on Saturday while Royal Dutch/Shell Group lowered its price $1 to $20.60. Exxon Corp., Amoco Corp. and Atlantic Richfield Co. had earlier reduced the price they will pay for the crude by $1 a barrel, to $20.

"This decline in oil prices has been orchestrated by the Saudis," said Sanford Margoshes, an analyst with Shearson Lehman Bros. in New York. He said that the Saudis were pushing to bring into line OPEC members that violated price and production controls last year.

In Algiers, the Algerian news agency reported that oil ministers from Algeria, Libya, Gabon and Nigeria would meet there Monday for consultations on ways to stem the oil price slump. Nigeria and Gabon are also OPEC members.

The Libyan leader, Colonel Moamer Qadhafi, was quoted over the weekend as saying that the latest Iranian offensive in the Gulf war, begun Feb. 9, was in retaliation for the Saudis' energy policy.

Colonel Qadhafi, in an interview with the pro-Libyan weekly al-Kifah al-Arabi in Beirut, said, "I warn the Gulf states that this war will expand . . . if all do not cut production to the quotas permitted" by OPEC.

Saudi Arabia's production in the first half of February was estimated by oil industry sources in the Gulf at 4.7 million to 4.8 million barrels per day, up from a 20-year low of 2 million barrels last August. Saudi Arabia's OPEC quota is 4.35 million barrels per day.

The Saudi statement said that the kingdom "joins hands with any loyal party that works to protect the economies of our people from serious damage and the international community from another energy crisis in the near future."

The Saudi Oil Ministry said that OPEC could not protect oil prices alone and needed the cooperation of other producers. Britain, Norway and Mexico are among the main producers outside OPEC.

The Saudi statement said that the kingdom was the last to abandon official prices, but was forced by financial pressures to follow the price-cutting tactics of fellow OPEC members.

"Saudi Arabia," it said, "was alone among other members of the Organization of Petroleum Exporting Countries which had seen its production falling to half and exports falling to a third after it abided by official OPEC prices.

"But when OPEC members did not stop their behavior" of selling below official prices, and other oil producers did not surrender market share, the statement said, Saudi Arabia "saw no way other than to follow the policy of selling oil according to spot market prices."

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Reagan Sends Arms Proposal to Soviet

(Continued from Page 1)

officials said, the Soviet Union and the United States would only be able to keep their medium-range missiles during the three-year period. After that, the officials said, U.S. and Soviet medium-range missiles would be eliminated in Asia.

Under this proposal, the officials said, the number of medium-range missiles in Europe would be reduced to 140 after one year, with proportional reductions in Asia. The number of weapons would be halved in Europe afterward, then drop to zero.

The other option would be "straight reductions" on medium-range forces to zero in three years "on a global basis," according to an administration official.

Mr. Reagan reportedly said in his letter that the United States was eager to fulfill its commitment, made at the Geneva summit meeting in November, to reduce all of the Soviet and American strategic forces that can strike the other country by 50 percent.

The North Atlantic Treaty Organization says the Soviet Union has 441 SS-20 missiles, including 130 in Europe and 171 in Asia. American totals include 108 Pershing-2 missiles, and an eventual total of 464 cruise missiles.

In his proposal on Jan. 15, Mr. Gorbachev called for scrapping all nuclear weapons in 15 years. In the first stage, the United States and the Soviet Union would eliminate their medium-range nuclear missiles that are within striking distance of Europe.

The two sides would also "freeze" their tactical nuclear weapons. In this phase, the United States also would agree not to give missiles to other countries, and Britain and France would agree not to increase their nuclear arsenals.

The Soviet proposals appeared to resemble the U.S. "zero option," which called for forgoing the deployment of American missiles in Europe in return for destroying all Soviet medium-range missiles.

The Gorbachev proposal did not apply to missiles that are based in the Asian part of the Soviet Union.

■ Negative Soviet Commentary

A Soviet television commentator said Sunday that Mr. Reagan's reported letter contained almost nothing constructive, Reuters reported from Moscow.

He said the proposals, as reported in the Western press, seemed to be aimed at giving the impression that the United States had a positive approach towards arms cuts.

Britons Mistrust U.S., Survey Shows

United Press International

LONDON — Most British people resent the extent of American influence on British industry, the economy, defense policy and television and few have confidence in President Ronald Reagan's judgment, an opinion poll by The Sunday Times found.

The newspaper said the poll showed that few Britons thought Mr. Reagan could be trusted to look after Britain's interests and that Washington failed to take enough account of British views in determining foreign policy.

The survey showed two-thirds of the 1,089 adults polled liked Americans on a personal level but did not think they would be better off if they were more like Americans in many respects.

Fifty-four percent of respondents doubted Mr. Reagan had sound judgment compared with 34 percent who praised his record. Asked about American influence in other aspects of British life, a majority of respondents thought it was too high in industry, the economy, defense policy and television.

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Voyager Yields New Data on Vast Uranus Ocean

By Walter Sullivan
New York Times Service

NEW YORK — Analysis of observations made as Voyager-2 sailed past Uranus last month provides strong evidence that the planet is covered by an ocean of superheated water 5,000 miles deep that encloses a rocky but largely molten core roughly the size of Earth.

Although the existence of that ocean, about 8,100 kilometers deep, had been hypothesized for some time, the new data are the strongest yet.

The temperature of the ocean, thought to be formed of melted comets, is believed to reach thousands of degrees. Because of extreme pressure from the weight of an atmosphere thousands of miles thick, the water does not boil. The high temperature prevents the pressure from solidifying the water.

The existence of the ocean could be important in explaining the planet's mysterious magnetic field, which is not oriented to the planet's axis of rotation like the magnetic fields of Earth and other planets. Astronomers say they believe that slow churning within the vast ocean, and possibly within its core, generates the perplexing magnetic field.

The picture of Uranus as a planet with a deep, superheated ocean covering it was painted by Dr. Edward C. Stone of the California Institute of Technology in Pasadena, California, who is the chief scientist of the Voyager mission. It was based in large measure on Voyager observations supporting the view that Uranus, unlike the nearer planets Jupiter and Saturn, is a great conglomeration of comets.

Scientists say they think comets are largely made of ice. A combination of factors, including high pressure and collisions when the planet was formed, would have generated high temperatures, turning the ice into a hot ocean.

Voyager data indicate Uranus has large quantities of gases that also occur in comets.

A number of astronomers have suspected that most of the comets now forming an unseen cloud far beyond the outermost planets originally were orbiting the sun near the present orbits of Uranus and Neptune. Millions of them, the astronomers proposed, coalesced to form those two planets. Others, the scientists said, were thrown out of their original orbits by the gravitational effects of close encounters with the planets and ended up in the distant cloud, whose comets are estimated in the billions.

Jupiter and Saturn, on the other hand, are thought to have formed from the rotating cloud, or nebula, from which the sun was formed and are similar in composition, about 70 percent hydrogen with most of the remainder being helium. The density of Saturn is about 0.71 times that of water, whereas Uranus is considerably denser, roughly 1.15 times that of water.

This density could be explained if Uranus contained relatively large percentages of such heavier elements as carbon, oxygen and nitrogen, which are common in comets.

That this is the case now appears supported, Dr. Stone said. An ocean primarily of water would represent a large amount of oxygen.

The surface of Uranus has proved to be largely featureless. The only clues to motions that must be occurring below the cloud tops are Voyager's detection of four plumes, cloud formations, in a relatively cool zone roughly 30 degrees from the equator.

One contributor to the temperature of Uranus's high atmosphere, Dr. Stone said, may be energy from the ultraviolet "electroglow" that was discovered over the side of the planet facing the sun. The energy source of the electroglow itself, however, is unknown.

Scientists have assumed that Earth's magnetic poles have always been near the poles defined by Earth's spin axis, and this assumption has been central to much of what has been deduced about the way portions of Earth's surface have wandered throughout time. Magnetism imprinted within ancient rocks has been viewed as indicating where they lay long ago relative to the magnetic pole and hence the spin axis.

But the unusual orientation of the magnetic field on Uranus will require specialists in earth magnetism to rethink their arguments.

Ariane, in 13th Success, Launches Satellites for France and Sweden

The Associated Press

KOUROU, French Guiana — The European Space Agency has reported that two satellites launched into space by the Ariane rocket were in perfect north-south orbit and functioning normally.

Ariane, a three-stage unmanned rocket, lifted off Friday night from its base in Kourou, its 13th success in 16 attempts.

It put into orbit a Swedish satellite designed to study the Earth's magnetic field, and a French observation satellite that will compete with the American Landsat satellites, the agency said.

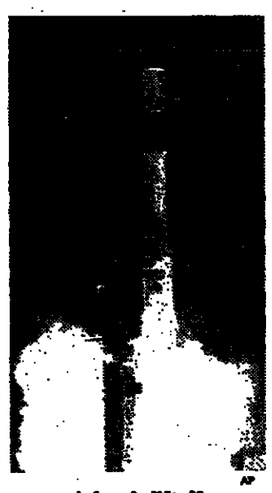
With the U.S. space shuttle program suspended following the Jan. 28 explosion of the Challenger, Ariane's success should increase its share of the satellite launch market.

The European Space Agency has maintained that conventional launchers, while less spectacular than the reusable shuttle, remained the most efficient way of placing satellites in orbit.

Arianespace, the agency's commercial arm, has carried out 10 commercial missions and says it has 26 launch contracts worth about $1.1 billion.

Ariane's 15th scheduled launch failed in September when the final stage malfunctioned and sent the rocket off course. Engineers destroyed the booster by remote control, and two satellites, worth a total of $145 million, were lost.

The French satellite launched Friday will compete the Landsat satellites used by the United States since 1972 to provide information on Earth resources.



AP

Ariane's liftoff.

The Associated Press

River Levee Breaks in California

A reporter from the San Jose Mercury News hangs on to a road sign after being capsized from a boat in Linda, California. About 20,000 residents of Linda and Olivehurst were evacuated when a Yuba River levee broke and flooded the towns after more than a week of rain. Engineers plugged the 150-foot break in the embankment Saturday, enabling some residents to return home.

Haiti Moves To Freeze All Assets Of Duvalier

By Marlise Simons
New York Times Service

PORT-AU-PRINCE, Haiti — The Haitian government will take legal steps to try to freeze the foreign assets of Jean-Claude Duvalier and his family, according to the new finance minister.

The official, Marcel Leger, said Friday that the government did not know the size of the Duvalier family fortune. The former president fled Haiti two weeks ago.

Diplomats and business officials here have estimated the holdings at $200 million to $500 million. The fortune is reported to include deposits in foreign banks as well as real estate in the United States, France, Monaco and Mexico.

On Tuesday, the new military-dominated government nationalized all assets of Mr. Duvalier within Haiti, where his holdings include homes, cars and land.

Asked how Mr. Duvalier might have taken government funds out of the country, the new president of the Central Bank, Jean-Claude Sanon, said the country's financial institutions "were not to blame."

He said that there were funds for which Mr. Duvalier did not have to account. "For example," he said, "the president had access to $5 million per month, which in principle was earmarked for defense purposes."

■ **Fabius Assails U.S.**

Prime Minister Laurent Fabius of France sharply criticized the United States on Sunday for its refusal to provide a refuge for Mr. Duvalier, Reuters reported from Paris.

Mr. Fabius, in a television interview, said the United States "did not want to take him back, which was not correct on their part." He added: "We have no intention of keeping him. The sooner he goes the better."

Mr. Duvalier flew to France aboard a U.S. Air Force plane for what the French government said would be a temporary stay until a permanent home could be found for him in another country. But other countries have declined to accept him; he, his wife and two children are still living in a luxury hotel in southern France.

AMERICAN TOPICS

Time Running Out For a Reagan Court

Time is beginning to run out on President Ronald Reagan's chances for leaving his mark on the Supreme Court, The Washington Post reports. Mr. Reagan, who has nominated only one justice, Sandra Day O'Connor, needs at least one more conservative to replace a moderate or liberal vote in order to effect a substantial shift. A wholesale transformation would require two such changes.

Mr. Reagan has two more years at most, some observers say, citing Lyndon B. Johnson's inability to promote Abe Fortas to chief justice in the last year of his presidency. And if control of the Senate switches to the Democratic opposition after the November elections, Mr. Reagan may have considerably less time than that. Senate Democrats might well stall a nomination as early as this spring, hoping to regain a majority in the fall. In two centuries, the Senate has approved 113 nominees to the Supreme Court and rejected 25.

This assumes that Mr. Reagan would have more vacancies to fill. The average age of justices is just under 71 years, slightly below that of the "Nine Old Men" who blocked many of Franklin D. Roosevelt's New Deal programs in the late 1930s. Their median age is the oldest in history, with five of the nine members over 77. But none of the justices is talking, at least in public, about leaving voluntarily.

The Associated Press

FERRARO'S SON CHARGED — John Zaccaro Jr. was arrested Thursday after the police said he sold cocaine to an undercover officer in Middlebury, Vermont. He is shown in a 1984 photo with his mother, Geraldine Ferraro, former Democratic candidate for vice president. He is a senior at Middlebury College.

Short Takes

Sixty-five years after Skeezix was left on a doorstep in the comic strip "Gasoline Alley," he observed his birthday Feb. 14 in 180 daily newspapers and 125 Sunday papers. The strip is one of the few whose characters get older with the passage of time, rather than in fits and starts or not at all. At 65, Skeezix still has the round head and long forelock he had as a tyke. He continues to run the family gas station for a living.

In unanimously banning jimson weed seeds, which have a hallucinogenic effect, from schools, the Tennessee House of Representatives used the wrong Latin name, *gentiana lutea*, a harmless plant that grows only in the mountains of Western Europe, rather than *datura stramonium*. Representative Shelby Rhinehart said the bill was drafted by the legislature's legal staff and could be fixed by the Senate. He added: "I just told them to outlaw jimson weed. I didn't tell them to put that Latin in there."

Black Farmers: A Shrinking Minority

The number of black farmers is decreasing far more rapidly than the number of farmers generally in these days of low farm prices and high farm debt. There were nearly a million black-run farms in 1920. By 1982 this had shrunk to 33,000, out of a national total of 2.4 million farms. The trend then was that there would be fewer than 10,000 black farms by the end of the century, and The Washington Post reports that this shows no sign of changing.

Blacks' farms tend to be smaller and less productive than those of whites, making the owners more vulnerable to falling prices and the squeeze on credit, which in turn makes them more likely to leave farm for factory. The Post calls black farmers "a vanishing breed whose days may be numbered."

Notes About People

Among the lobbyists registered for the current session of Congress is Joseph C. Bonanno Jr. of Campbell, California, whose most recent official contact with the halls of government involved his discharge from a federal prison last November after serving four months for perjury in connection with a cocaine investigation. His 80-year-old father, now retired in Arizona, recounted his years as a leader of organized crime in a 1983 autobiography, "A Man of Honor." The younger Bonanno says he wants certain criminal statutes changed. Asked if his family background and prison record might impede personal contact with senators and congressmen, he said, "I grew up with half of them."

Helen Hayes, 85, says few of today's film stars will stand the test of time. On actresses: "Today there are really only Meryl Streep and Vanessa Redgrave. But I remember the Garbos and Gishes and Katharine Hepburns and Bette Davises — amazing magnetism in their personalities." On actors: "Burt Reynolds is a wonderful sort of happy slob, but think about the movie actors of my generation, Clark Gable, Ronald Coleman, Gary Cooper." She said these were "brilliant people," especially Gable — "Oh, what excitement, what electricity surrounded that man."

— Compiled by ARTHUR HIGBEE

'Red' Ruffing, Ace Yankees Pitcher, Dies at 81

New York Times Service

NEW YORK — Charles "Red" Ruffing, 81, whose pitching and pinch-hitting helped the New York Yankees win seven baseball league titles and six World Series championships in the 1930s and '40s, died Monday in Mayfield, Ohio. He had been in poor health since suffering a stroke 13 years ago.

In a major league career that covered 22 seasons, including 15 with the Yankees, Mr. Ruffing, who was elected to the Baseball Hall of Fame in 1967, emerged as one of the sport's premier pitchers and its undisputed best-hitting pitcher.

His regular-season record of 273 victories and 225 defeats included four consecutive seasons with 20 or more victories. His career batting average of .269 included eight seasons when he hit above .300 and one, 1931, when he hit .364.

Mr. Ruffing's seven World Series victories stood as the major league record from 1942 until 1961, when it was eclipsed by Whitey Ford, who also displaced Mr. Ruffing as the most victorious pitcher in Yankee history.

Helen Hooven Santmyer, 90, Author of Best Seller

NEW YORK (NYT) — Helen Hooven Santmyer, 90, an educator and librarian whose novel "... And Ladies of the Club" made her a celebrity at the age of 88, died Friday of emphysema in Xenia, Ohio.

Miss Santmyer's novel about a small town became a main selection of the Book of the Month Club and rose to No. 1 on The New York Times best-seller list in 1984. The title of the novel refers to members of a local women's literary club, who are at the center of the town's political and cultural life.

The novel, which had taken Miss Santmyer decades to write, was initially brought out in a limited printing by Ohio State University Press in 1982. It sold only a few hundred copies.

But the novel gained a second life when, through a series of coincidences, it ended up at G.P. Putnam's Sons, the New York publishers, and soon became a literary sensation.

André Leroi-Gourhan, 74, Renowned Prehistorian

PARIS (AP) — André Leroi-Gourhan, 74, a renowned prehistorian and ethnologist who revolutionized the study of prehistory with a new approach to excavation sites, died in Paris on Wednesday. He had suffered from Parkinson's disease.

Mr. Leroi-Gourhan gained prominence with his method of approaching archaeological digs from a horizontal perspective, allowing him to uncover a portrait of the daily life of an age. Researchers had previously confined their investigations to vertical readings.

■ *Other deaths:*

Jacques Paris de Bollardiere, 78, a general and war hero who became a dedicated pacifist, on Friday of cancer at his home in Brittany, France.

The Reverend Gilbert V. Hartke, 79, a leading figure in theater in Washington for more than 50 years, of heart failure Friday in New York.

Judy-Lynn del Rey, 43, a publisher of science fiction and fantasy books, on Thursday in New York. She suffered a brain hemorrhage last October.

Stanley A. Kamen, 60, a Hollywood agent who represented such stars as Barbra Streisand, Steve McQueen and Warren Beatty, on Thursday of cancer in Los Angeles.

Beggs Expected to Quit Soon As NASA Chief, Officials Say

(Continued from Page 1)

was thrown into shock when the Challenger exploded and a presidential commission began to investigate what went wrong and who was to blame.

Mr. Graham subsequently moved to take firmer charge of the agency. Last week he stripped Philip E. Culbertson, general manager in charge of day-to-day operations, of his responsibilities. And the chief shuttle official, Jesse W. Moore, was replaced on Thursday, three months sooner than expected, as associate administrator for space flight.

NASA has been split by the strained relations between Mr. Beggs and Mr. Graham, and some sources suggested that was another reason to seek a new leader not directly identified with either man.

Mr. Beggs is said by those familiar with his thoughts to have informed the White House that he considers Mr. Graham unqualified to hold the top job on a permanent basis because he has no background in space issues and lacks proven experience in running large, complex organizations such as the space agency. Mr. Graham is a former Reagan administration arms-control adviser and Pentagon consultant.

■ **New Explosion Theory**

William J. Broad of The New York Times reported Friday from Cape Canaveral, Florida:

A new theory about wind and cold weather have become a major focus of the presidential commission investigating the explosion of the Challenger.

The new focus on cold comes amid reports saying that temperatures as low as 8 degrees below zero Fahrenheit (minus 22 degrees Centigrade) were recorded on a strut of the shuttle's right-side booster rocket just before the liftoff; previous estimates put the temperature at 7 to 9 degrees Fahrenheit (minus 13.8 to minus 12.75 degrees Centigrade) above zero.

Low temperatures at launching are thought by aerospace experts to have contributed to a failure of the Challenger's right-side booster rocket, leading to the explosion.

The theory emerging among commission members and aerospace experts is that winds blowing over the Challenger's external tank of supercold liquid fuel might have "refrigerated" the nearby right-side booster.

The rubbery O rings that seal the joints between the four segments of the boosters are sensitive to cold, and speculation is that refrigeration might have caused them to fail, allowing flames to escape the booster and touch off the explosion.

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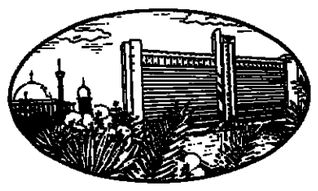

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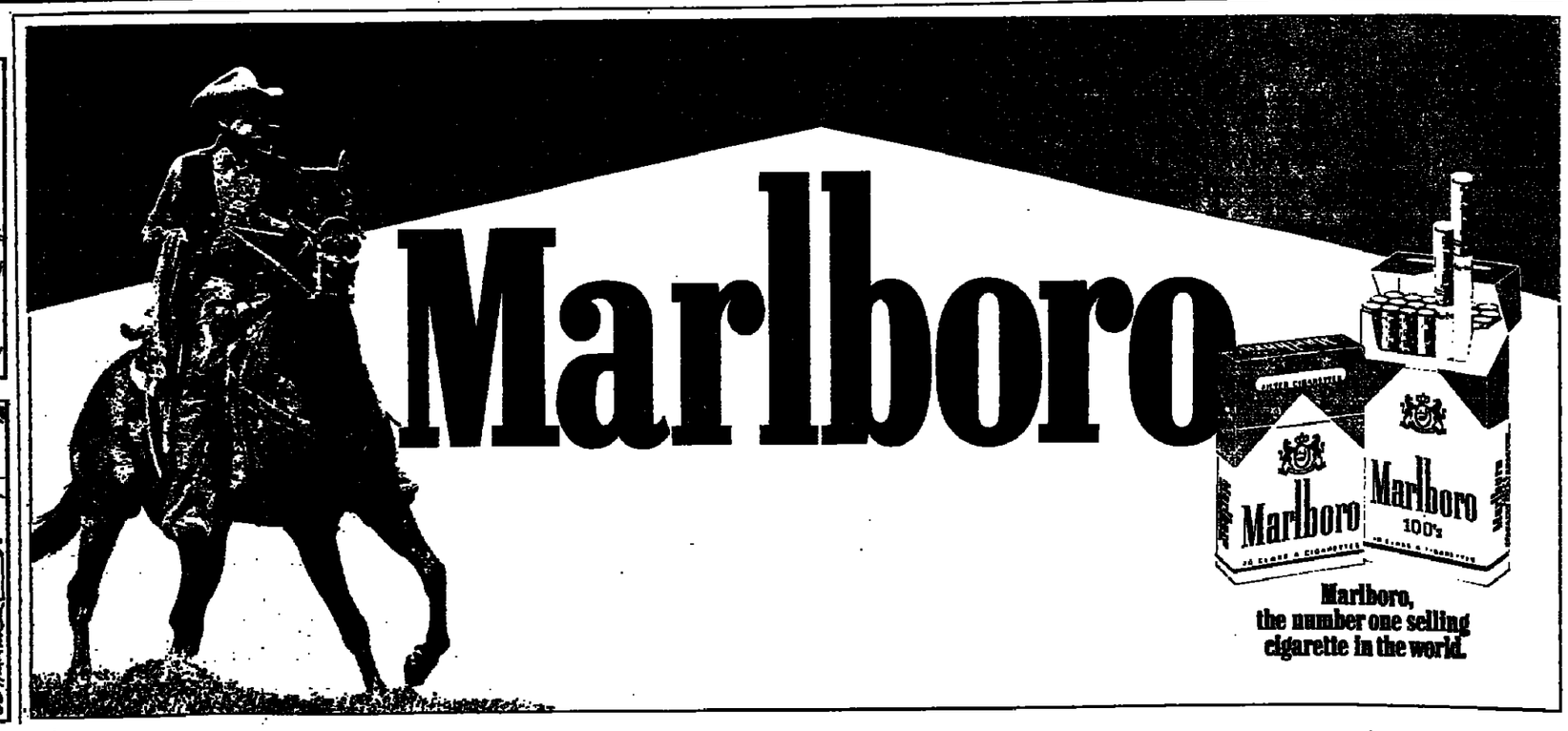

THE REBELLION IN THE PHILIPPINES: President Marcos resists calls by his former close military aides for him to step down.

Enrile Calls It 'More Honorable To Die Fighting This Regime'

New York Times Service

MANILA — When President Ferdinand E. Marcos declared martial law in 1972, the main architect of his crackdown was a shrewd, charming Harvard-educated lawyer, Juan Ponce Enrile.

Mr. Enrile, who served Mr. Marcos for years as his defense minister, broke with the president on Saturday.

"I am bothered by my conscience," he said after declaring that he no longer recognized Mr. Marcos as president.

"What I am doing today is an act of contrition," Mr. Enrile said after barricading himself inside the defense headquarters at Camp Aguinaldo. "Had I known martial law would be used to suppress our people, I would not have supported it."

Mr. Enrile's reversal came as a surprise to many Filipinos because he had worked hard for Mr. Marcos's re-election over Corazon C. Aquino on Feb. 7, helping to deliver his native area in the most one-sided vote in the country.

On Saturday, he conceded that much of that margin was the result of fraud and intimidation.

Mr. Enrile, who comes from the same province as Mr. Marcos, an important bond in the Philippines, benefited handsomely from martial law, becoming chairman of the United Coconut Planters Bank and amassing a fortune. His house is among the most opulent in Manila, visitors say.

But behind Mr. Enrile's break with Mr. Marcos lies a long-term souring of their relationship, stemming from Mr. Marcos's suspicion that Mr. Enrile, 62, has presidential ambitions and from Mr. Enrile's gradual swing to a more conciliatory approach to the opposition.

Mr. Enrile's star began to decline in the late 1970s after he emerged as the most likely successor to Mr. Marcos, a fact that was said to have made the president uncomfortable. Mr. Enrile compounded the problem by pushing for greater power for the largely moribund National Assembly, challenging Mr. Marcos's virtually absolute power.

Mr. Enrile also began to take a more moderate stance toward Mr. Marcos's critics. In time, he began allowing investigations of complaints of killings and torture by the army, though little usually came of these reports.

In place of Mr. Enrile, Mr. Marcos began to rely more heavily on another native of his home province, Fabian C. Ver, the head of his elite palace guards. Eventually, Mr. Marcos made Mr. Ver a general and then the chief of staff of the armed forces. A son of General Ver took over as commander of the palace guards.

Mr. Enrile, from Ilocos in the northernmost part of the country, graduated at the top of his class from the University of the Philippines Law School and in 1955 received a master's degree from the Harvard Law School.

He returned to Manila to become a lawyer before Mr. Marcos invited him to join his government in the late 1960s, first as commissioner of customs. He was soon promoted to minister of justice and then to minister of defense.

Colleagues described him as tough, intelligent and forceful. His enemies depicted him as ruthless.

To help justify the imposition of martial law in 1972, Mr. Enrile drew on what he said was an attempt by the Communist New People's Army to assassinate him. Martial law was necessary, Mr. Marcos asserted, to stem a threat by the Communists.

Ironically, the New People's Army was then little more than an annoyance with a force of perhaps 1,000 guerrillas based in remote parts of the country. After more than a decade of martial law, the Communists have grown into a force of 20,000 to 30,000 guerrillas backed by more than a million sympathizers, and they control large chunks of the country.

In the last year, Mr. Enrile's own power had shrunk to such an extent that Mr. Marcos recently announced that his one-time confidant no longer had the authority to transfer troops and was limited to "policy-making" for the military.

Saturday, after defecting from the regime and taking refuge at the Defense Ministry, Mr. Enrile spoke in apocalyptic terms. "We will stay here until we are killed," he said.

"The hour of reckoning is here for me now," he said. "At least I will die with a clean conscience instead of serving this illegitimate regime.

"For me, it is more honorable now to die fighting this regime than to die fighting for it."

Reuters

Lieutenant General Fidel V. Ramos, left, and Defense Minister Juan Ponce Enrile, announcing they had broken with the president and would fortify themselves against arrest.

For Many in Military, Time to Choose Sides

By Clyde Haberman
New York Times Service

MANILA — Colonel Tirso Gador, assigned to an army unit in the northern province of Cagayan, said he first heard of plans to arrest the defense minister several days ago. It was the colonel decided, a threat not only to the minister, Juan Ponce Enrile, but also to the entire "reform" movement of military officers to which he belonged.

Quietly, to avoid alerting his superiors, Colonel Gador spirited more than 100 of his soldiers by bus from Cagayan to Camp Aguinaldo, the Philippine military headquarters in northern Manila.

Early Saturday, along a darkened corridor of the Defense Ministry building there, they joined dozens of other soldiers ready to protect Mr. Enrile.

The minister and the deputy chief of staff, Lieutenant General Fidel V. Ramos, announced Saturday that they had fully broken with President Ferdinand E. Marcos and that they would fortify themselves inside the ministry because they had received reports they were about to be arrested.

Mr. Marcos denied any such order.

The rebel forces withdrew from the Defense Ministry on Sunday and took up positions at Camp Crame, the national police compound, which a rebel spokesman said was easier to defend.

To Colonel Gador, 42, the action by the military was long overdue.

"We can no longer continue to pretend that Marcos has the mandate of the people," he said. "We feel that one day he will use armed force to suppress protest, and we do not want to be part of such a movement.

"I think it is time for the military to chose up sides. I would rather fight for my convictions than for an administration I do not believe in any more."

Despite the potentially ominous implications, the mood on all sides Sunday morning at the Defense Ministry was almost light. The troops set down their shields and lounged under trees.

Those inside supporting Mr. Enrile were just as relaxed. Some rested on corridor floors, smoking cigarettes, their American- and Israeli-made automatic rifles splayed across the tiles.

Several, although armed, were only half in uniform. Lieutenant Colonel Victor Erfe said he had heard of the action on Radio Veritas, a Roman Catholic Church station, and had raced to the ministry.

He had a .45-caliber pistol strapped to his hip and a M-16 rifle in his hand. He was wearing blue jeans and running shoes.

Estimates of the numbers of so-called reformists run to about 1,000 of the 15,000 officers. They are prominent within the Defense Ministry, and many of the men standing guard Sunday morning are normally assigned there.

"We are not revolutionaries," Colonel Erfe said. "We believe in democracy. You know, Filipinos are generally a patient lot, but there are people who feel that we have had enough."

A few yards from Colonel Erfe, Mr. Enrile was telling reporters he was prepared to die. Officers who stood nearby said much the same thing, although several acknowledged they hardly relished the thought.

Colonel Gador, a 20-year veteran, said that in anticipation of the occupation of the ministry, he had put soldiers under his command in civilian clothes on buses and sent them to Manila, 310 miles (about 500 kilometers) southwest of Cagayan.

He flew weapons to the capital separately, he said.

Colonel Gador said he hoped there would be no trouble, but noted: "I believe many others will join us but it may come time for the military to fight within itself. If we have to destroy this country anyway we might as well do it for our convictions. Sometimes to restore life we have to destroy the system."

U.S. Will Halt Aid if Troops Attack Civilians

(Continued from Page 1)

Council for nearly an hour and heard a report from Philip C. Habib, the special envoy who who spent 10 days in the Philippines meeting with church, business and political leaders.

Mr. Speakes said that Mr. Reagan decided that if Mr. Marcos did not call back his military forces against opponents and citizens, then U.S. military aid to the Philippines would be cut off "immediately."

■ **Rebel Support Signaled**

Bernard Gwertzman of The New York Times reported earlier from Washington:

The White House has signaled that it supports the Philippine defense minister and deputy chief of staff, who have resigned from the government and have called on Mr. Marcos to give up power because of the fraud that took place in the elections Feb. 7.

In an unusually worded statement, issued Saturday with President Ronald Reagan's approval, the White House moved closer than it had done before to calling for Mr. Marcos to give up office.

It said statements by the two former high Marcos aides reinforced administration concern that the fraud in the elections, carried out mostly by the Marcos party, was "so extreme as to undermine the credibility and legitimacy of the election and impair the capacity of the government of the Philippines to cope with a growing insurgency and a troubled economy."

The White House, in effect, endorsed the remarks made by the defense minister, Juan Ponce Enrile, and the deputy chief of staff, Lieutenant General Fidel V. Ramos, by summarizing them without qualification and by pointedly not making any reference to Mr. Marcos's rebuttal remarks.

A senior State Department official said that the United States did not know ahead of time about the moves by Mr. Enrile and General Ramos. He said that Mr. Enrile telephoned the U.S. ambassador to inform him of what was going on once the action was under way.

Behind the scenes, American officials were urging prominent Filipinos to work out a plan by which Mr. Marcos and his chief of staff, General Fabian C. Ver, would step down. General Ver's resignation has been announced, but he has not yet relinquished all his duties. How this should be done, a State Department official said, should be left to the Filipinos.

"We should not be in the position of telling the Filipinos in this moment of trial how to organize their government," he said.

The decision by Mr. Enrile and General Ramos to speak out against Mr. Marcos and call for the defection of other troops was regarded as being so significant that Mr. Reagan was alerted early Saturday morning by Vice Admiral John M. Poindexter, the national security adviser.

Secretary of State George P. Shultz then organized a special task force at the State Department, headed by Paul D. Wolfowitz, the assistant secretary of state for East Asian and Pacific affairs.

Saturday afternoon, Mr. Shultz and Admiral Poindexter, together with Michael H. Armacost, undersecretary of state for political affairs and a former ambassador to Manila, worked out the statement.

A conference telephone call, involving Admiral Poindexter, Mr. Shultz, Donald T. Regan, the White House chief of staff, and Defense Secretary Caspar W. Weinberger was then organized with Mr. Reagan, who was at Camp David, a White House spokesman said.

Mr. Reagan approved the statement during a 15-minute phone conversation.

The developments in the Philippines are demonstrating, a State Department official said, that Mr. Marcos is losing support from all sectors of society, and is backed up only by "an inner circle, which is getting smaller and smaller."

Pentagon officials familiar with the Philippines were deeply concerned by General Ramos's decision to resign and come out against Mr. Marcos because he is regarded as the most dedicated senior officer in the armed services.

Reuters

General Fabian C. Ver, right, helped President Ferdinand E. Marcos answer a question Sunday at a news conference.

Marcos Vows to Crush Revolt by Military Chiefs

(Continued from Page 1)

dus from the Marcos government, the postmaster general, J. Roilo Golez, and an associate justice of the Supreme Court, Nestor B. Alampay, announced their resignations over the weekend.

General Ramos accused Mr. Marcos, who has been in power for more than 20 years, of using the armed forces to retain office.

Mr. Enrile said "no one else" but Mr. Marcos and his armed forces chief of staff, General Fabian C. Ver, could have been responsible for the assassination of Mrs. Aquino's husband, Benigno S. Aquino Jr., in August 1983. Mr. Aquino was a long-time rival of Mr. Marcos.

Mr. Enrile and General Ramos, who also was head of the paramilitary Philippine Constabulary and the integrated national police, are being protected by several hundred troops, perhaps as may as 1,500, inside Camp Crame, the headquarters of the constabulary. Those supporting Mr. Enrile and General Ramos in the camp are from the army, navy, air force, marines, rangers and the constabulary.

Sources in the camp described the situation as very tense following Mr. Marcos's angry speech. They said the soldiers guarding the two men expected to be attacked by loyalist forces at any time.

The two rebel leaders ordered their troops not to shoot unless they are fired upon. They were well-equipped with light weapons but lacked heavy weapons, especially anti-tank weapons and heavy machine guns.

Their main hope appeared to be continuing support from thousands of unarmed civilians who had formed a protective screen around the camp.

Mr. Marcos accused Mr. Enrile and General Ramos of being part of a plot to invade his palace and assassinate him and his wife, Imelda, who is a cabinet minister.

They have denied this, saying Mr. Marcos and his generals had a plan to arrest them and all opposition leaders.

The president said that unless they surrendered, they would be wiped out with tanks and artillery. Mr. Marcos said he might personally lead the attack against them.

Cardinal Sin called Saturday on people to support Mr. Enrile and General Ramos by going to the camp to provide protection, moral encouragement, food and drink.

Both men are reported to have contacted Mr. Marcos late on Sunday and urged him to resign.

General Ramos said that nearly all provincial military commanders were supporting him and Mr. Enrile.

Mr. Marcos contradicted this assertion, saying that the armed forces were united behind his presidency and that he had the backing of all key commanders including those in and around Manila.

Mrs. Aquino returned to Manila on Sunday evening from the central Philippine city of Cebu, where she spoke at a big rally on Saturday. She had gone into hiding temporarily in Cebu following reports that an opposition crackdown was imminent.

Opposition Wins a Battle With Manila

(Continued from Page 1)

them as government helicopters and spotter planes clattered overhead.

"I came to protect General Ramos and Mr. Enrile," said Rani Cruz, a 30-year-old technician. "I want to be counted on this day that may be crucial to the future of democracy in our country."

With their advance blocked by the buses and rows of civilians, including a group of priests and nuns who knelt in prayer in front of the tanks, the marines encamped in an empty field beside the highway.

As the soldiers sat and stood in groups with their weapons while senior officers went into a huddle to decide what to do next, the crowds around the field sang hymns and nationalist songs and waved banners denouncing the Marcos regime and proclaiming support for Mrs. Aquino.

Some jeered the soldiers; others talked to them or offered food and cigarettes.

General Ramos broadcast a message to the marine commandant, Major General Artemio Tadiar, appealing to him not to try to break through the crowds by force and saying that an emissary had been sent to talk to Mr. Marcos.

General Tadiar said he was under orders to proceed to general headquarters at Camp Aguinaldo, opposite Camp Crame. But he had halted his unit, he said, "because we did not want to hurt anyone."

"We are trying to be as tolerant as possible," he said. "That was an instruction from the president. We will not hurt innocent civilians."

As evening approached, the crowd started moving deeper and deeper inside the field, mingling with the soldiers and surrounding their jeeps and armored vehicles.

A girl climbed onto a scout car and gave some flowers to one of the marines inside. There were cheers and laughter all round.

Shortly afterward, engines were started and the troops formed into columns.

General Tadiar confirmed that he was pulling back to his base.

For supper? a journalist asked.

He smiled and said, "Pending further orders and negotiations."

—MICHAEL RICHARDSON

Marcos Is Said to Offer 4 N.Y. Holdings

New York Times Service

WASHINGTON — Four New York City properties in which Ferdinand E. Marcos, the Philippine president, and his wife, Imelda, are said to have a financial interest have been for sale since last year for as much as $300 million, according to documents from real estate and banking companies involved in handling the properties.

The buildings have not been sold, according to Joseph Bernstein, the real estate executive handling three of the properties.

Documents from Security Pacific National Bank show that the corporate owners of record wanted to sell the properties because of financial difficulties, management disputes and sensitivity to political criticism in the Philippines about holdings in the United States.

The four properties up for sale are owned by a series of corporations, most of which are situated in countries with laws that keep secret the identity of individual owners. The properties were cited in congressional testimony over the last year as being controlled by the Marcoses, even though the offshore corporations were the owners of record. The Marcoses have denied owning property in the United States.

King Faisal International Prize

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3. The work submitted with the nominations must have been published.
4. The specific works submitted must not have been awarded a prize by any international educational institution, scientific organization, or foundation.
5. Nominations must be submitted by leading members of recognized educational institutions and of world-fame such as Universities, Academies and Research Centers. Nominations from other individuals and political parties will not be accepted.
6. Nominations must give full particulars of the nominee's academic background, experience and publications, as well as copies of his/her educational certificates, if available. Three 8 x 9 cm photographs, full address and telephone number of the nominee are also requested.
7. The nominations and selected publications (10 copies) are to be sent by registered air mail to the address stated in (10) below.
8. The latest date for receipt of the full nominations with copies of works is the 4th of Dhu Al-Hijjah 1406 AH. i.e. the 9th of August 1986 AD. The nomination papers received after this date will not be considered unless the subject of the prize is postponed to the following year.
9. No nomination papers or works will be returned to the senders.
10. Enquiries should be made, and nominations should be sent, to the Secretary General of King Faisal International Prize, P.O. Box 22476, Riyadh 11495, Kingdom of Saudi Arabia, Telex: 204667 PRIZE SJ.

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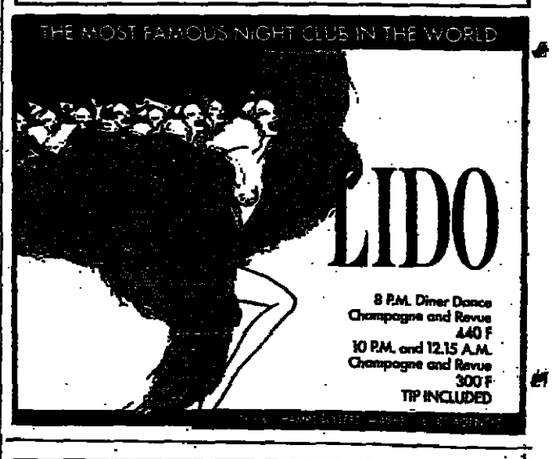

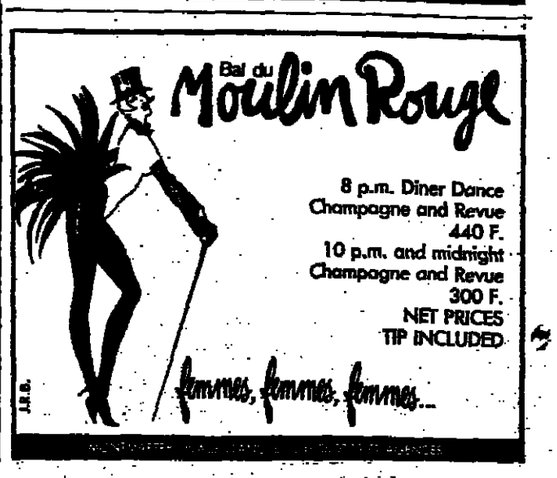

صكذا من الاصل

Party Congress Marks Decisive Phase for Gorbachev's Regime

The Associated Press
Delegates registering in the Kremlin for the party congress.

By Celestine Bohlen
Washington Post Service

MOSCOW — If words can define an era, then *perestroika* is the catchword here before Tuesday's opening of the Communist Party congress as the Soviet leader, Mikhail S. Gorbachev, enters a decisive phase of his leadership.

Literally, perestroika means rebuilding, but in the Soviet Union's current political climate, it has taken on a broader social connotation. Appearing almost daily in speeches and in the press, the word now sums up a range of new themes: openness, honesty, the need for harder work, more personal initiative, less talk and more action.

In short, it has come to signify a psychological readjustment, a new state of mind fundamental to Mr. Gorbachev's hopes for the revival of Soviet society.

The concept will dominate this week as the 27th Congress of the Soviet Communist Party opens here. *Yet it still is not clear to what extent the word* represents a real break with the past, or is simply the latest in a long string of Soviet slogans.

And despite the buildup and historic significance of this week's gathering, which is expected to be the most lively and interesting party congress since the days of Nikita S. Khrushchev, few people here expect this basic question to be decided at the congress itself.

"A congress is not a place where things happen; it is where they get the seal of approval," said one diplomat. "And my sense is that at this one, we will not see an unveiling, but more a clearing of the decks."

The party congress, which takes place once every five years, comes at a good time for Mr. Gorbachev. One year after assuming office, he has been given the chance to appoint the country's top leadership through nominations to the Central Committee. He is expected to name new people to at least half of the committee's 300 positions.

He also is to present a revised party program, the first since 1961, as well as a five-year economic plan. His speech to the congress Tuesday is expected to be his most significant to date.

Few analysts expect the announcement of any major shift in Soviet policy, either on the domestic or the foreign policy front. In the international arena, Mr. Gorbachev made a major disarmament proposal Jan. 15 and he is unlikely to make any further initiative.

On internal affairs, which are the new leader's main concern, he is not expected to come down on one side or the other of the debates now raging in the media. Issues being discusses include allowing some services, like auto repairs, to be provided privately by individuals, adjustments in the pricing system to reflect supply and demand and other economic changes.

"There may be a bow in the direction of some shifts," said one Western diplomat, "but now is probably not the time for anyone to ram an economic blueprint down the throats of the delegates."

In his first year, Mr. Gorbachev moved rapidly, and with far more assurance than anyone expected. From the Politburo on down to the regional party level, he removed an older generation of Soviet leaders, and replaced them with men who resemble himself — in age, in qualifications and in dedication to the "new style of work."

At least 45 of the 159 regional party secretaries have been replaced since Mr. Gorbachev became party leader, as have more than 40 of the 113 officials of ministerial rank.

The turnover in personnel so far has showed Mr. Gorbachev's political skill. In sparing some of the old guard on the Politburo, like the Ukrainian party boss, Vladimir V. Shcherbitsky, he seems to be reserving his strength for other battles. In toppling the Moscow party boss, Viktor V. Grishin, he has sent a message that drastic measures will be taken when necessary.

The new generation of party leaders, many of them presumably evalnated by Yegor K. Ligachev, who is the party's No. 2 man and perhaps ideologically the toughest of the new Kremlin leaders, have come in on a wave of puritanism.

Besides the national anti-alcoholism campaign, which recently has been given a new boost in the press, there is official scorn for all forms of self-indulgence, from flattery and sycophancy to ostentatious living.

The most remarkable example was the recent publication in Pravda, the party newspaper, of letters calling for the abolition of special shops and special hospitals reserved for party and government leaders.

The article sent a shock wave through the elite that was softened only slightly two days later when Pravda hastily noted that not all leaders abuse their positions.

The attacks on complacency, privilege and toadyism have amounted to a broadside against the last years of the era of Leonid I. Brezhnev. That theme, which has been building lately, is expected to peak at the congress, although many consider it unlikely that Mr. Gorbachev will criticize Brezhnev by name.

Rejecting the immediate past is a Soviet tradition. Khrushchev attacked Stalin, and excised him from Soviet official history. Later the same happened to Khrushchev.

The break with the Brezhnev era has been a subtler process, but its implications are just as serious. In sweeping out the Brezhnev era, Mr. Gorbachev has thrown out the arrangement that had isolated the Soviet leadership from the people.

Perestroika, for bureaucrats and party members, has been a nerve-wracking change, as they watch sinecures being abolished and colleagues being criticized by name in the press.

Mr. Gorbachev appears to be seeking a balance between stability and change. His first move was to get rid of the older generation, a process that was helped by their advancing age.

Now the harder task is for him to establish a system that somehow institutionalizes the process, that allows a turnover of leadership without requiring major political displacement at the top.

Various options have been floated: a retirement age for party officials, limited terms in office and more democratic methods of picking top party officials. One radical suggestion that surfaced in the newspapers recently was that party members be considered equal with nonmembers before the law, an idea that would get to the heart of the party's special status.

Seoul's Crackdown Sparks Concern That Unrest Could Widen

By Susan Chira
New York Times Service

SEOUL — There is growing concern here that a widening government crackdown on opposition politicians could spark broader social unrest.

The government has placed nearly 300 opposition politicians under temporary house arrest, some repeatedly, since Feb. 12, held scores of others in police custody for questioning, and mobilized thousands of policemen to blockade entrances to opposition groups' offices.

The goal has been the government's determination to crush an opposition party petition drive for constitutional revision, which officials say is an illegal act that endangers national security and threatens social chaos. Opposition politicians maintain that the drive is merely an appeal for public support for an effort that has been frustrated in the National Assembly.

On Thursday, the government deployed thousands of policemen and confined nearly 300 opposition party members to their homes to prevent them from holding a meeting on the petition drive.

Friday, however, opposition politicians were free to enter and leave their party headquarters. Kim Young Sam, a prominent opposition party leader, visited the headquarters of the opposition New Korea Democratic Party and said the government had lifted restrictions on all party members except for Kim Dae Jung, who had been under house arrest since Feb. 12.

[The police were reported to have released Kim Dae Jung from house arrest late Sunday.

[United Press International quoted an aide to Mr. Kim as saying: "The home arrest order was lifted, telephone lines are connected and the situation seems to be returning to normal."

[About 300 riot police posted around the house were removed, along with barricades on nearby roads, the aide said.]

Kim Young Sam was put under house arrest again Saturday for the fourth time in less than two weeks, but the restriction was lifted Sunday.

Government officials have accused the opposition of betraying public trust and plotting to overthrow the government. The opposition has condemned the government's actions as the repressive reflex of an insecure regime.

The crackdown has also been sharply criticized by the United States, which has dismissed the South Korean government's stance that its petition law does not permit collecting signatures for constitutional revision.

The situation comes at a time

NEWS ANALYSIS

when diplomats here say that moderation and willingness to negotiate are essential in order to prevent turmoil in 1988, when South Korea will hold a presidential campaign and play host to the Olympics.

"With all kinds of dry tinder lying around, something may spark," a Western diplomat said. The authorities "still have not dealt with the fundamental problem — how to reach accommodation that will get them through 1988."

Others, however, play down the situation. Han Sung Joo, a professor of political science at Korea University, said that while the government's actions may represent a "detour" on the road to democracy, they do not pose a threat to democratic institutions here.

"Last year's elections did show a move toward a healthy two-party system," he said. "I think that incentive remains. I don't really believe that this particular series of events will weaken opposition politics to the extent that they will be discontinued."

The roots of the political impasse stretch back a year to general elections in which the newly created opposition party made an unexpectedly strong showing. The results were particularly striking because the opposition campaigned under severe restrictions, with preselected small sites allotted for campaign rallies and opposition candidates forbidden to criticize the government directly.

The opposition interpreted the results as a popular mandate for change — in particular as a signal to amend the constitution to permit direct presidential elections. Without direct elections, opposition politicians believe they will have little chance of victory in the next presidential election.

President Chun Doo Hwan wants any constitutional changes postponed until after 1988, when he has pledged to step down and allow what would be South Korea's first peaceful transfer of power.

Political leaders on both sides say failure to find a compromise could eventually provoke a profound political crisis.

"If we cannot reach a compromise, both the ruling party and the opposition party will be ruined and that means catastrophe," said Kim Young Sam.

There seems to be agreement that the situation, although disturbing, is not yet explosive. The government maintains firm control, and the opposition disavows any intent of toppling it.

As has been the case so often in South Korean history, however, student activism is likely to play a crucial role in the days ahead. Students have grown more radical in the last two or three years, organizing large-scale demonstrations and executing well-coordinated actions such as the occupation of the United States Information Service building in Seoul last May.

Students have already held a large rally to support the petition drive, at which more than 200 were arrested. It is when most students return to campus in early March, politicians and diplomats here say, that the real trouble may begin.

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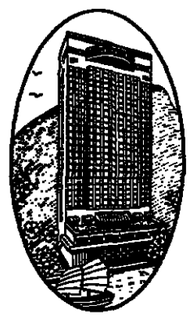

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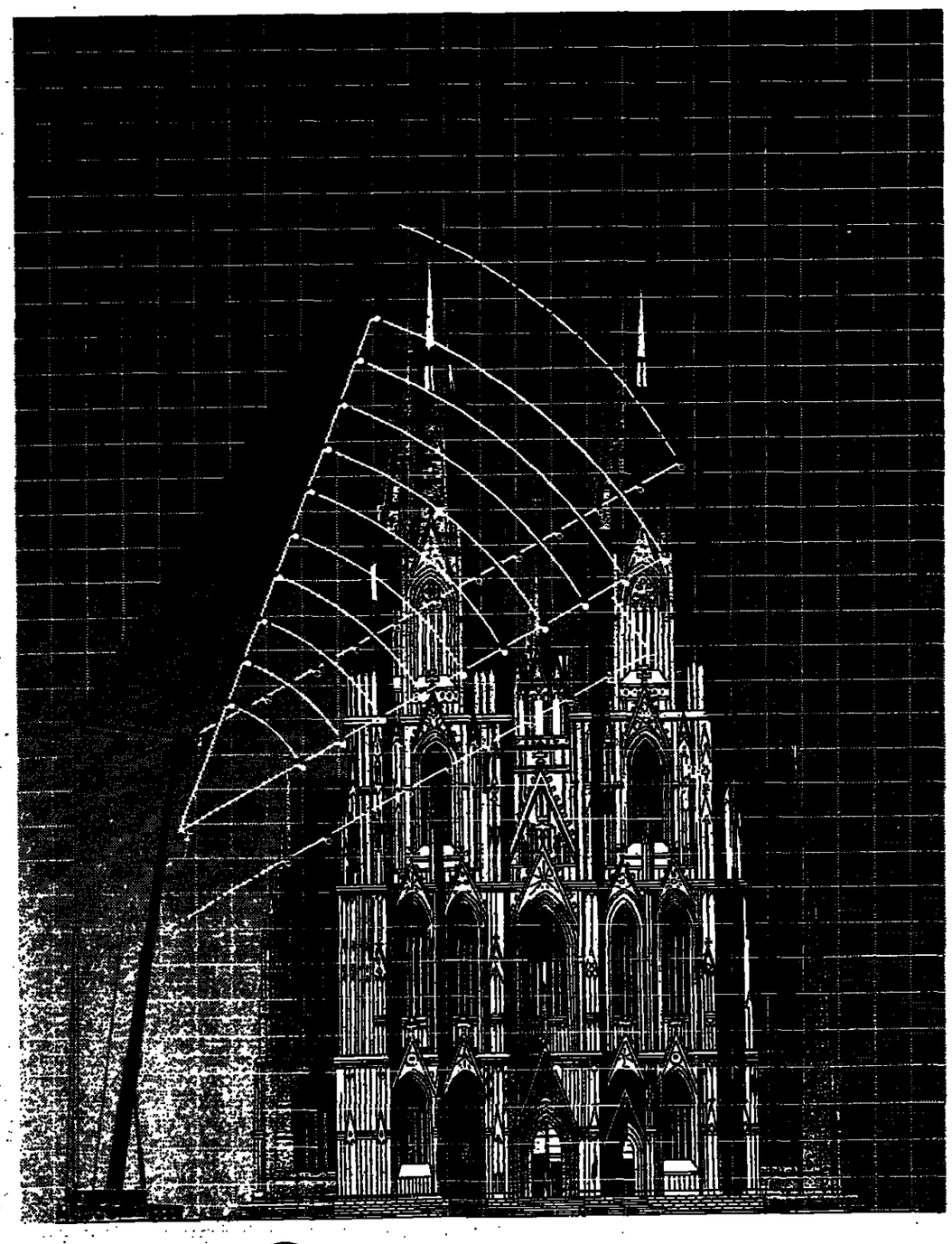

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Japanese Miss the Point

Agreement was reached last September to ease the dollar down and the yen up. The object was to reduce America's bloated trade deficit and the corresponding huge surpluses of the other main traders, in particular Japan. Since the agreement, exchange rates have moved in the right direction, with the yen rising by a good 25 percent against the dollar and similar but appropriately smaller appreciations for other currencies. What is disturbing is the speed with which Japanese industry has started to object to the cheapening of the dollar, an objection faintly echoed by French industry.

Japanese exporters, allegedly, are getting to the point where they can no longer make ends meet, and Tokyo's powerful Ministry of International Trade and Industry is starting to show sympathy. But this misses the whole point of the operation.

Japan's exports are meant to be hit. The exact way it happens will vary between industries. Exporters who leave their dollar prices unchanged will find their profits in yen declining, so their export drive will become less compulsive. Those who raise their prices to maintain profits will find foreigners less compelled to buy their goods. For Japanese producers to start protesting as soon as the elementary aims of revaluation begin to be felt is absurd. Hopefully, such protests will be ignored by the authorities.

But the governments in Japan and other industrialized nations are responsible for ensuring that declining trade surpluses with the United States do not lead to reduced orders and fewer jobs. The object of letting your exchange rate rise against the dollar is not to contract output and employment but to switch them from exports to catering for domestic needs. This switch may not come about if governments do not make home demand strong enough to take up the slack caused by weaker exports.

This probably means that Japan, in particular, should take action to stimulate demand at home. Lowering interest rates could help, but might partly reverse the beneficial rise of the yen. It would be better to raise public expenditure on sorely needed infrastructure, or to make tax changes to encourage private spending rather than saving. Then Japanese industry, shorn of easy exports, would be faced not by the east wind of deficient demand but the healthy challenge of adapting to the needs of people at home. Adaptation would certainly be needed, but Japanese industry has shown no inability to change during the past quarter of a century.

INTERNATIONAL HERALD TRIBUNE.

The PLO Loses a Chance

Yasser Arafat's double-dealing, cited by King Hussein in breaking off his yearlong effort to bring the PLO into peace talks, is the lesser part. The larger part is the PLO's stupidity. Consider the deal Mr. Arafat kicked away.

The PLO was being asked to accept "242," the basic United Nations peace resolution, to negotiate with Israel and to renounce terrorism: minimal and, by Arab consensus, reasonable considerations. In return, the United States had offered these concessions: 1) to accept the Arabs' favored format of an international conference; 2) to accept a PLO invitation to the conference; 3) to accept that at the conference the PLO could ask for self-determination; 4) to let the PLO join the conference later if it did not want to join earlier; 5) to open an "immediate" dialogue with the PLO.

We will be finding out what Prime Minister Shimon Peres knew of this and when he knew it — important matters because, had the PLO assented, this package would have ensured two immense battles, one inside Israel and the other between the United States and Israel. It tests the Israeli readiness for peace — that is, it offers Palestinians far more than anything yet put into the public domain.

But it was not enough for Mr. Arafat. He foolishly demanded that, before a conference, the United States accept a Palestinian right of self-determination within a Palestinian-Jordanian confederation — the Hussein-Arafat formula of Feb. 11, 1985. King Hussein struggled to argue him out of it. Only then learning that the PLO had already secretly rejected the position he had spent months selling to Washington, the king concluded that he could not deal with someone whose word was not his bond.

He reported all this, without criticism of Israel or the United States, in a televised speech whose English subtitles made it easily accessible to Israelis watching from across the river. In Jerusalem, officials expressed relief that the hated PLO had confounded the king, and invited him to bring West Bank Palestinians into talks with Israel. But the PLO's political potency on the West Bank, and its guns, have so far blocked this path. Shimon Peres, who needed a peace partner in order to have any chance of extending his term in office, does not appear to have one.

America, burned yet again trying to bridge the Israeli-Palestinian gap, says it is ready for "a total re-evaluation" of policy. One point in this review is obvious. Congress should reverse its misguided ban on the sale of arms to Jordan. King Hussein, a peacemaker, should not be penalized for Mr. Arafat's failings.

The Reagan administration, quietly, went far for peace. Should it have gone that extra step and moved from implicit to explicit acknowledgment of the requested Palestinian right to self-determination? That would have traumatized Israel, and to uncertain effect. In a kinder world, Israel and the PLO would recognize each other. There is a limit to what the United States can do in their behalf.

— THE WASHINGTON POST.

Europe Is Fretting Again

When the United States first contemplated sending the new medium-range nuclear missiles to Europe, a great frightened cry went up in protest. European voices asserted that the Americans were recklessly increasing the risk of incinerating their countries. Yet the first request for such missiles had come from Europeans, starting with Helmut Schmidt, who complained of American lack of care for the allies' security. Now, two turns later, Washington is talking about the possibility of negotiating the withdrawal of the missiles. The European reaction is hardly relief. On the contrary, it is reported to be yet another rumble of anxiety that America fails to take adequate account of Europe's defense requirements.

Each turn in American nuclear policy seems to be greeted with an equal and opposite reaction in Europe. An amusing folk custom? Well, in some respects, yes. But it is something deeper as well: a reflection of the central political tension in the Atlantic alliance. One of the partners in that alliance is very much more powerful than any of the others, and the second most powerful, West Germany, has undertaken a firm commitment not to possess nuclear weapons. This disparity in control over the weapons leads to deep ambivalence toward the plans for managing them and to a certain perennial discontent.

One reaction is the militant pacifism that has now been widely embraced among the churches of West Germany and northern Europe generally. It was particularly audible in the demonstrations against the new missiles.

The other side of the European debate is rooted among the defense experts who, regardless of party and nationality, acknowledge that the conventional military forces in Eastern Europe greatly outweigh those in Western Europe. Withdrawing the nuclear weapons on the Western side, they warn, would only increase the danger to the West. These are the people you are mainly hearing now, although accuracy requires that some account be taken of the permanent floating critics who express despair over American policy whatever it is.

There is general concern that too much of Europe's security depends on decisions by another country far away which has the good fortune to be separated from the Soviets by two oceans. Strategic arms control negotiations between America and the Soviet Union always heighten those concerns. Nearly all Europeans welcome the negotiations, but the sight of the negotiators working on subjects that sharply affect basic European interests, with no Europeans at the table, troubles them — no matter that the Europeans (Britain and France) whom Moscow has invited to a separate nuclear table are not at all eager to go.

The remarkable thing about the Atlantic alliance is that after 37 years it is still in good working order. There is nothing quite like it in the history of modern diplomacy. But it will remain in that condition only so long as people who make nuclear policy in Washington pay close attention to the signals of doubt and dissent that come from Western Europe.

— THE WASHINGTON POST.

FROM OUR FEB. 24 PAGES, 75 AND 50 YEARS AGO

1911: Paris Royalists Disrupt a Play

PARIS — At the representation of "Après Moi," at the Théâtre Français [on Feb. 23], there were violent interruptions on the part of opponents of the author, Henry Bernstein, which resulted in 33 arrests. The performance, however, was greatly applauded. Afterwards, some five-score "Camelots du Roi" [royalists] attempted a demonstration outside the Café de l'Univers. Their "Conspuez Bernstein" and other hostile cries were put an end to easily by the police. Throughout the performance there were interruptions, and in the third act notably a cry from a box led to a scuffle in the passage. Towards the end there was much whistling in the gallery and a shower of small bills fell in the house. [The play criticizes anti-Semitism.]

1936: The Vatican Hails Mussolini

ROME — The Vatican gave unveiled encouragement [on Feb. 23] to Premier Mussolini in his fight for a greater Italy, when Cardinal Eugenio Pacelli, Papal Secretary of State, hailed the Duce as "the restorer of Imperial Rome and furtherer of culture." These words were believed to confirm the support which the Holy See has heretofore given Fascist Italy. Cardinal Pacelli spoke of the unique rôle which Rome has played in the world. "Rome was ordained and prepared by Providence," he said, "to be the capital of the world and the central seat of religion." No city, he said, will vanquish the destiny of Rome, city of God of the incarnated wisdom ordained by Christ and as the Holy See for Peter's successors.

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Filipinos Have to Solve Filipino Problems

By Stanley Karnow

MANILA — An old Chinese proverb — "Save a man from death and you owe him a living forever" — may apply to the future relationship between the United States and the Philippines. The United States, after intruding into domestic Philippine affairs in an effort to keep the Feb. 7 presidential election honest, has assumed a new long-term responsibility for its former colonial possession.

There is much to be said in favor of U.S. involvement. But Americans and Filipinos could have reason to regret that involvement.

The fraud and violence that tilted the election, most of it perpetrated by Ferdinand Marcos's political machine, might have been worse had it not been for the presence of official and unofficial American observers, including journalists.

Expressions of concern by President Reagan and members of Congress reminded Filipinos that America, which originally encouraged their allegiance to democracy, understands that its own strategic interests are intimately linked to the Filipinos' right to credible government.

What I find disturbing, however, is the extent to which Filipinos now expect America to save them in the event of a fresh crisis. It may be, too, that many Americans have lately come around to the view that America has an obligation to intervene in the Philippines. The biggest challenge on the horizon is the rise of the Communist-led New People's Army, whose ranks have swollen from a few hundred men a decade ago to 12,000 guerrillas and about five million active sympathizers operating in 62 of the 74 provinces.

It is no secret that Communist units are deployed within striking distance of the U.S. naval installation at Subic Bay and the Clark Field air base. According to one of their agents, they have so far refrained from threatening those facilities out of fear of U.S. military intervention in the Philippines. But should the Communists become stronger, as seems likely, they are almost certain to jeopardize the security of the bases. At that stage the United States will be confronted with the question of whether to protect the bases with American troops or move the bases elsewhere.

A U.S. withdrawal from the Philippines, while technically feasible, would shake the power balance in the Pacific and alarm China and Japan, which see the enormous Soviet fleet in the region as a menace. It would also shock Filipinos, most of whom are profoundly pro-American despite their occasional jibes at the United States.

On the other hand, the commitment of American fighting forces or even advisers would surely prompt American protests against the danger of "another Vietnam." Ironically, the most vocal foes of such a course probably would be those who advocate a tougher policy here.

Thus, America faces a potential dilemma in which the alternatives are equally unattractive. Yet the deepening involvement will make it difficult, perhaps impossible, to escape that dilemma.

A thesis being advanced is that the Communist threat can be contained if further pressure is exerted on President Marcos to reform by denying him American aid. Another argument holds that the Communists would have been checked if Corazon Aquino, who represented change, had been elected. I am skeptical.

Mr. Marcos has no intention of dismantling the autocratic regime he has built up over 20 years, even though it is visibly on the verge of collapse. His announced reforms are merely a rearrangement of deck chairs on the Titanic.

As her astonishing performance demonstrated, Mrs. Aquino managed to crystallize an opposition to Mr. Marcos that surprised him. But little in her campaign proposals suggested that, if elected, she would have given the Philippines the drastic overhaul it desperately needs.

After more than 25 years of reporting from the Philippines, I am convinced that the country is approaching or has already reached what Marxists call a "revolutionary condition." The Communists are succeeding because this society has been dominated too long by an oligarchy that, out of greed or neglect, permits appalling extremes of wealth and poverty. The Catholic Church recognizes this, and many of its humane aims parallel those of the Communists. A key difference is that the Communists have guns.

As the situation deteriorates, many Filipinos will undoubtedly appeal to the United States for help. But the problem is their problem, and no amount of American assistance will resolve it.

The writer, a veteran commentator on Southeast Asian affairs, is preparing a book on the Philippines. He contributed this comment to The New York Times.

For Some, This Soviet Congress Will Be Thrilling

By Norman Davies

STANFORD, California — The 27th congress of the Soviet Communist Party, opening on Tuesday in Moscow, is not likely to provide much thrilling copy. Serried ranks of stolid delegates will pack the Kremlin's Congress Hall to appland interminable speeches and pass every single one of the agenda's resolutions unanimously. It will be something less than a rip-roaring spectacle.

In reality, behind the marble face of the Congress, the final touches will be made to changes that could affect the world every bit as much as an American presidential election. To understand the game, one has to know the rules and the jargon.

The Soviet Communist Party is not a political party at all. According to the Soviet constitution, it is the legal "guardian of the state." In effect it is the executive branch of government, where all decisions are made. The state is in effect the administrative branch of the party, bound to execute the party's decisions. In this dual system, where the organs of the party duplicate and control those of the state, in all spheres and at all levels, the party is the dominant partner.

So Mikhail Gorbachev, who heads the party's Politburo but holds no senior position in the state hierarchy, is the chief executive — the boss of the U.S.S.R. The titular president is Andrei Gromyko, but Mr. Gorbachev could undoubtedly have taken that job for himself last year had he been so inclined. As general secretary of the party, he gives marching orders to everyone, since the state is largely staffed by party members.

Mr. Gorbachev's comrades in the Politburo collectively form the nearest thing to a Western-style cabinet, while his fellow secretaries, at the head of the departments of the party's Secretariat, determine government action in each of their spheres of policy. Just as the Politburo issues directives to the supreme organs of the state — the Presidium of the Supreme Soviet, the Council of Ministers — so the party secretaries issue directives to the ministers.

Foreign Minister Eduard Shevardnadze would not be in charge of foreign policy if he did not have, like Mr. Gromyko before him, a seat in the Politburo. It is always one's position in the party that counts. State offices are always secondary.

At a lower level, the party's Central Committee gives orders to the Supreme Soviet, in theory the chief legislative body of the U.S.S.R. The Supreme Soviet meets for only two days a year — time enough to rubberstamp the bills prepared by the party.

And so it goes all the way down the ladder — in the republics, the cities, the villages. The local party leader controls the local state organs. The village mayor takes his instructions from the party's village "secretary." The captain of the village soccer team takes his orders from the secretary of the party's sports committee.

All Soviet institutions work on the same iron principle. The director of a state factory is subject to the head of the party cell within his organization. The Soviet marshals are subject to the Glavpolit, the party's Military-Political Administration for the armed forces. The KGB (Commission for State Security) is controlled by a special security branch within its own organization, designed to keep activities in line with party orders.

The "castration of the state" is an essential feature of the system. The president does not preside over anything of first importance. The prime minister is not the head of government. Ministers are not the top men in their spheres of policy. Ambassadors are not in charge of their embassies. All state officials are front men. Everyone and everything is in the power of the party. It is called the "dictatorship of the proletariat."

The second thing to realize is that the party is subject to military-style discipline, its members sworn to obey the orders of the higher party organs without question. Like good soldiers, Communists do what they are told.

What this means in practice, for a nominally elective system, is that the party leadership can order the comrades, on pain of expulsion, to nominate the candidates for all state elections, to exclude all candidates not favored by the leadership and thus to ensure a perfect election result in advance. Within the party's own apparatus, the leadership not only determines who can stand for office but also how the lesser comrades must vote. Nothing is left to chance.

This explains why the forthcoming party congress — the 27th in 69 years since 1917 — must be convened at the present time. The congress cannot be convened too often, since thousands of delegates have to assemble from the farthest depths of the country. But a congress provides the main occasion for a new party leader to arrange the advancement of his own candidates throughout the machine.

The congress will be asked to confirm Mr. Gorbachev as general secretary, underwrite the composition of the Politburo and elect a new Central Committee. And Mr. Gorbachev can tell the delegates how to vote. So long as he maintains the confidence of the Politburo — and most of its members owe their seats to him already — he will be able to predetermine the decisions of the congress with little possibility of revolt or dissension.

Once his candidates are in place, they in turn will ensure that thousands and thousands of Gorbachevian appointees are placed in control of the party apparatus, right down to the most humble level. Thereafter they will see to it that none of Mr. Gorbachev's rivals could successfully raise their voices against him, even in the Politburo. Mr. Gorbachev's power has grown dramatically since March 1985. After February 1986 it will be impregnable. He will be the world's greatest "dictator-for-life."

Propaganda stresses the democratic elements of the Leninist system. Most Western commentators stress its contradictions and complexities. What they should be explaining is its terrible simplicity. This is one of the largest and clearest examples of political patronage in the world today.

Most Western commentators will also be focusing attention on the proposed reforms, and on the shape of the future "plan." But the plan is rarely completed and can always be changed. Reforms can be dropped or accelerated or replaced at will.

Once Mr. Gorbachev's men are in place, they will run the party dictatorship for the duration. For them, if not for the rest of us, the 27th congress will be the most thrilling experience of their lives.

The writer, a visiting professor at Stanford and author of "Heart of Europe: A Short History of Poland," contributed this comment to the Los Angeles Times.

By Roy Peterson (The Sun, Vancouver). CAW Syndicate.

An East-West Improvement, of Sorts

By William Pfaff

PARIS — Among policy analysts there is a notion called second-order agreement. It exists when I can explain your side of our argument to a third person in a way you are willing to accept as a reasonably fair statement of what you think, and you in turn are able to explain what I think in a way I will accept.

When we can do that, you and I have second-order agreement. We can now have a useful argument. We have identified our real differences. We are not wasting our time on caricatures of what the other believes, or talking at cross-purposes.

As the Communist Party of the Soviet Union opens its most interesting congress in a quarter century on Tuesday, the most striking thing about the change in leadership taking place under Mikhail Gorbachev is that it is bringing to power a relatively cosmopolitan group of people who know more about the West, and about the outer world as a whole, than any set of Soviet leaders since the revolutionary generation itself.

The result of this is already evident in so elementary a matter as propaganda and handling the international press. At the Geneva summit in November, as well as at recent arms control meetings, Soviet officials have addressed Western preoccupations, spoken openly of what was going on, listened to objections and questions and tried to give straightforward answers within the context of Soviet policy positions. The wooden language of the past has been much less often heard.

A change in style is not in itself evidence of a change of substance. Whether the substance of Soviet international policy also is changing remains to be discovered. Nonetheless it is a major development that in dealing with Moscow one no longer is addressing a leadership ignorant of the world and closed in on itself, arrogant and defensive precisely because of its ignorance.

On the whole, this clearly is a good thing, even if it makes Soviet diplomacy and propaganda more effective. It reflects a certain success of the West itself, in communicating its own outlook. These new men and women in the Soviet leadership are more effective than their predecessors because, in a significant respect, they have themselves been Westernized.

One must be careful about what this implies. There is a persistent but false notion in the West that to know us is to love us, and that differences between Moscow and Washington are a matter of misunderstandings, which could be cleared up given better communication, or result from deliberate ill-will.

The idea that Americans and Russians would live happily at peace with one another were it not for misunderstandings or the manipulations of power-hungry elites has been a staple of American popular political thought since the days of Henry Wallace and Franklin Roosevelt. Ronald Reagan himself put the case admirably, saying that "I've always felt that we and the Russian people could be the best of friends if it weren't for the Godless tyranny and imperialist ambitions of their leaders."

The thought that Soviet leaders may be clearheaded and informed in rejecting Western arguments, and principled, even idealistic, in their own views, is hard to take. So sophisticated a writer as William Safire of The New York Times devoted a column *("A New Era of Mistrust Is Created," IHT, Nov. 27)* at the time of the Geneva summit to his astonishment at discovering that Soviet officials actually believe their own arguments.

It is clearly a net gain in the relations of the two countries when leaders come to power who have a more sophisticated understanding of the other side's positions. This new generation in Moscow at least understands what Westerners are talking about, and why. They may understand the West better than the political class of present-day Washington — elected officials and administration appointees — understands them.

America and the Soviet Union nonetheless remain intellectually isolated societies. Historically they have seen themselves as self-sufficient: in the American case assuming invulnerability, in the Soviet case vulnerability. This has not changed.

The Soviet Union remains defensive and aloof. Its leaders have to believe in its solitary ideological rectitude, for that is the justification for all that Lenin and his successors have put the nation through since 1917. Americans take for granted that the United States is the norm for the world and that there is little to be learned from others — who are, in the order of things, followers. The dialogue between these two nations, a true dialogue, will go only so far.

International Herald Tribune.

A Test Ban: Washington Newspeak

By Flora Lewis

PARIS — Without quite admitting it, the Reagan administration has turned America's formal policy on nuclear testing on its head.

This could be veiled so long as the Soviets refused verification measures to make sure that any cheating could be immediately detected. But now Mikhail Gorbachev has told the 40-nation Disarmament Conference in Geneva that Moscow "is agreeable to the most strict control over a ban on nuclear weapons tests, including on-site inspections and the use of all achievements in seismology."

Instead of renewing negotiations on a comprehensive test ban, broken off by President Reagan, Washington has reversed its argument. The official Defense Department line is no longer that the United States cannot be certain that the Russians are not conducting sneak tests. It is that the United States has to continue its own testing so long as it must rely on nuclear deterrence.

The position was spelled out in a letter from Deputy Assistant Secretary Frank J. Gaffney Jr., who was designated to reply to Representative Ed Markey, the Massachusetts Democrat who had asked Defense Secretary Caspar Weinberger why weapons were not designed to be reliable without continued tests.

The Senate has passed a resolution calling on the administration to resume full test ban negotiations. There are 207 co-sponsors of a similar House resolution and they are getting increasingly irritated with the Orwellian arguments of the administration.

Mr. Gaffney's letter said a "comprehensive test ban that strengthens global stability and enhances security has been a long-term objective of the U.S. for some time." But he went on to claim that a ban "in the foreseeable future would not strengthen stability but rather lead to a less secure and more dangerous world."

The upside-down premise of this assertion was that, without testing, both the United States and the Soviets would worry whether their arsenals were still in working order, and might get edgier. The "long-term" point at which it might be acceptable to stop making more and better nuclear weapons was defined as "a time when a nuclear deterrent is no longer as essential an element as currently for internal security and stability."

Mr. Weinberger has said about the same: that tests to improve weapons and prove that they work have to continue until there is either a reliable defense against them ("star wars") or a vast reduction in arsenals. In other words, first demonstrate that the weapons are obsolete or nonexistent, then we'll think about stopping tests in order to make new ones.

Hidden behind this gobbledygook is the administration's desire to keep working on the X-ray laser, which requires underground nuclear explosions. Out loud, the official stand is that tests have to be conducted on existing weapons from time to time to check them out again.

This is a circular argument, since weapons could be designed to assure reliability if the designers were not so keen to keep trying out new types. Mr. Markey wrote to Glenn T. Seaborg, head of the Atomic Energy Commission in the early days, to ask what the policy used to be and whether tests of existing weapons were always considered necessary. Such tests have rarely been conducted.

Mr. Seaborg replied that "our national policy was to seek a comprehensive test ban. I do not recall that the proof testing of stockpiled nuclear weapons was ever an issue in this connection. It is my impression that the same situation prevailed during most of the 1970s."

The United States committed itself to seeking the end of tests in the preamble to the 1963 limited test ban treaty and in article six of the nuclear nonproliferation treaty of 1968, which pledges it "to achieve the discontinuance of all test explosions of nuclear weapons for all time and to continue negotiations to this end."

The current treaty threshold on nuclear tests is 150 kilotons, quite high enough for everything the nuclear weapons builders want to do. In response to the argument that you can never be absolutely certain that weak shock waves were an earthquake and not a secret test, there have been proposals to set a low limit, one to five kilotons, above which an explosion would be surely detectable. But the administration isn't interested.

If it continues to refuse negotiations to see how far Mr. Gorbachev is willing to go to guarantee "strict control," Washington will be telling the world that it would rather continue its own tests than stop the Russians — that it likes the nuclear arms race.

The New York Times.

LETTERS TO THE EDITOR

Diplomats and Diplomats

Regarding "In Defense of Marcos and His Latest Election" (Feb. 19) by Minerva Jean A. Falcon, minister counsellor at the Embassy of the Philippines in Paris:

The fact that some people in government service would do or say anything to keep their jobs is one reason why Ferdinand Marcos has been "duly elected" several times. But let this not reflect on the majority of diplomats and civil servants, who can still distinguish right from wrong.

EDUARDO L. LACSON.
Monte Carlo.

When the Dictator Goes

The study referred to in Jonathan Power's opinion column "Dictator's Death Can Be Costly for West" *(Feb. 13)* — an analysis in the quarterly International Security of developments after the deaths of 22 political leaders — is a rather silly example of effect being mistaken for cause. Mr. Power should report on the more pertinent correlation between repressive dictatorships and their sources of external financial support. Or, more fundamentally, on how the disparities in wealth and liberty between the ruling classes and the ruled relate statistically to "destabilization" after the demise of autocratic regimes.

J.T. MISKIN.
Basel, Switzerland.

Ganymede Was No Lady

William Safire, in "Commas and the Mythology of Space" *(Language, Feb. 17)*, remarks that the first four moons discovered around Jupiter "were named after some of that god's seductions: Io, Europa, Ganymede and Callisto." Readers might assume from this all four were female, but Ganymede was male.

T. THEOCHARIS.
London.

Herald Tribune. INTERNATIONAL

BUSINESS / FINANCE

MONDAY, FEBRUARY 24, 1986 **

EUROBONDS

Eurodollar Demand High Despite Currency's Dive

By CARL GEWIRTZ
International Herald Tribune

PARIS — A glance at the calendar of new Eurobond issues could give the impression that the dollar's glitter as an investment currency has hardly been tarnished by its dive on the foreign exchange markets. Last week's volume of straight Eurodollar bonds, 14 issues totaling $2 billion, was the heaviest so far this year.

The fact that the dollar has been sinking to three-year lows against the Deutsche mark and Swiss franc and a seven-year low against the yen appears to be irrelevant.

Bankers offer a number of reasons to explain why volume is so buoyant. Among these is the belief that the dollar, at least temporarily, has stabilized.

Eurobond Yields
For Week Ended Feb. 19

U.S.$ lg term, Int'l inst.	9.39 %
U.S.$ long term, ind.	9.95 %
U.S.$ medium term, ind.	9.91 %
Can.$ medium term	10.91 %
French Fr. short term	10.08 %
Sterling medium term	11.48 %
Yen medium term, Int'l inst.	6.36 %
Yen lg term, Int'l inst.	6.58 %
ECU short term	8.88 %
ECU medium term	9.19 %
ECU long term	9.20 %
EUA medium term	8.78 %
LuxF med term Int'l inst.	9.23 %
LuxF medium term	9.21 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended Feb. 21
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	20,018.40	13,004.00	7,014.40
Euroclear	40,185.10	32,726.90	7,458.20

This view is based on remarks made last week by the Federal Reserve Board chairman, Paul A. Volcker, indicating that the decline has gone far enough for now, putting the dollar in a "danger zone" that could re-ignite inflation and undermine foreign confidence in the currency. The remarks were interpreted to mean that the Fed would not, at least in the near future, do anything, such as cutting interest rates, to weaken the dollar further.

And in Tokyo, Japanese officials were insisting thatthe dollar looks as if it has hit bottom, at least temporarily.

Foreign exchange dealers believe the dollar will tread water for a while, trading between 2.28-2.35 DM and 175-185 yen. And this means that it is relatively safe for foreign investors to buy dollar securities for the higher income or greater liquidity they provide with little immediate worry about the exchange rate.

But the most important factor buoying the Eurodollar bond market, analysts say, is the shift in bank demand for dollar assets from the floating-rate-note market to the fixed-coupon sector. The FRN market had been booming as banks refrained from making new loans to developing countries and had scant demand for funds from clients in the industrialized countries.

The FRN market was an easy way for the banks to make money, maybe not much, as FRN margins got slimmer and slimmer, but still something. Since late last year, however, even that has been erased. The yield curve has been flat with rates identical on one-month through nine-month Eurodollars.

A YEAR AGO, the one-month interbank rate was half a percentage point lower than the six-month rate, meaning hefty profits for a bank using one-month money to hold an FRN whose coupon was tied to the six-month rate.

As a result of the flat yield curve, banks now have no incentive to hold FRNs and are moving into fixed-coupon securities as they strive to create profits from the higher income available on those holdings.

Another factor accounting for the continued popularity of Eurodollar bonds is the liquidity of the secondary market. No other sector of the market comes close to matching the number of banks making a market in Eurodollar bonds, giving investors comfort that, come what may, they can always sell their holdings.

And finally, there are the dollar-based institutions that buy Eurodollar bonds because they yield more than bonds sold in the United States. According to data supplied by Salomon Bros., Eurodollar bonds a year ago were trading at about 10 basis points, or 0.1 percent, below the yields on U.S. government paper, while today Eurodollar bonds are trading at about 50 basis points above the yield on Treasury paper, itself an indication of how much less foreign money is going into the Eurodollar market than a year ago.

Last week's activity in the market was marked by the appearance of two issues having a 30-year maturity. The demand for 30-year paper is another function of the flatness of the yield curve. While there is no difference between the one-month through nine-month cost of money, there are only 1¼ percentage points separating the one-month rate from the 30-year rate.

A year ago, according to data supplied by Salomon Bros., there was a 3¼-point difference between the shortest and longest rates. As a result of the narrowing, investors looking to maximize their current income are forced to accept maturities longer than they are accustomed to.

The World Bank, which earlier this year was the first to issue 30-year Eurobonds, last week offered another $300 million bear-

(Continued on Page 11, Col. 1)

Mexico Asks Help On Debt

Seeks to Lower Interest Charges

By William Stockton
New York Times Service

MEXICO CITY — President Miguel de la Madrid has called for the international financial community to alter the terms of Mexico's $97-billion foreign debt so that the cost of debt service is based on Mexico's ability to pay.

In a televised address Friday night, Mr. de la Madrid did not say by how much Mexico's debt service should be reduced. He stopped well short of specifically declaring a cap on the amount of debt service Mexico can pay, as Peru did last year when it limited its payment to 10 percent of foreign earnings.

Instead, he spoke of the vicious circle in which Mexico has found itself as oil prices dropped, causing the country to fall deeper into debt and then having to borrow more money to service its debt.

The president said that in negotiations that begin next week with "involved parties" regarding the debt, Mexico would adhere to four basic points. The first is "adjustment of the debt service to Mexico's real capacity for payment."

The Mexican leader also called for the creation of an efficient method to repay future financing and to reduce its costs, as well as the opening of foreign markets that will permit Mexico's economy to grow.

[Presidents Raúl Alfonsín of Argentina and Julio Sanguinetti of Uruguay asserted Saturday that the United States and the European Community had engaged in unfair trade practices that had hurt Latin American nations, Reuters reported from Buenos Aires.

["While the foreign debt of developing countries grows as a result of outrageous interest rates, the value of their export produce falls to unprecedented levels," they said in a joint statement issued at the end of a visit by Mr. Sanguinetti.

[It said dumping by the European Community had caused a fall of as much as 40 percent in export prices for grains and beef from Argentina and Uruguay.]

Mr. de la Madrid said that in its financial relations with other countries, Mexico "has not resorted to confrontations which benefit no one and has refused to engage in unilateral solutions. Mexico now expects that this attitude will be valued outside the country."

He said that in 1986, Mexico would strictly adhere to its austere budget.

But he added, "The adjustment also calls for sacrifices on the part of our international creditors, who have been jointly responsible for the process of indebtedness."

India's Family Fast-Food Dynasty

Sons Bring U.S. Style and Lamburgers to New Delhi

By Sanjoy Hazarika
New York Times Service

The New York Times

The Hot Shoppe, one of Nirula's New Delhi outlets.

NEW DELHI — As Lakshmi Chand Nirula, the white-haired patriarch of the family running India's best-known pizza and fast-food chain, tells it, he and his brother went into the restaurant business here more than 50 years ago because their cook had run away.

"We got tired of eating at different restaurants and so we decided to start a place of our own," said Mr. Nirula, the 77-year-old chairman of Nirula's, the restaurant network. "Accommodation was cheap and easily available."

But while Mr. Nirula and his 72-year-old brother, Madan, are still on the chain's board of directors, it is the younger Nirulas who are credited with changing the family's places in 1977 from traditional, sit-down restaurants to slick and shiny fast-food outlets.

The elder Nirula brothers bought their first hotel and restaurant in 1934. Lakshmi Chand Nirula was then running the family drugstore, and his younger brother was a professional photographer who made a living by taking pictures of the country's elite with the British viceroy.

There were few hotels and restaurants at the time in New Delhi, which was still being built and had a population of less than half a million. Today, some of the country's best and most expensive hotels are situated in the capital, which has expanded swiftly and now is home to an estimated seven million people.

From an initial investment of the equivalent of less than $500, the Nirulas' business has become a multimillion-dollar operation. In the process, the family has built a reputation as India's best-known purveyor of American-style fast food.

"We came in at the right time with the right product and at the right place," said Deepak Nirula, 33, the managing director responsible for operations. He is the son of Madan Nirula.

He and his cousin, Lalit, now virtually control the running of the chain, and they are considered responsible for giving it an American touch that appealed to younger, middle-class Indians, and with adding pizza to the Indian diet.

Both Lalit and Deepak have degrees in hotel and restaurant administration from Cornell University in Ithaca, New York, and they worked at hotels in the United States and Europe before coming home.

"We don't cater to any one group or generation," said Lalit Nirula. "We have a wide range for the whole family."

Today, New Delhi has nine Nirula outlets, including a pastry shop and ice cream parlors, and three more are planned for the capital this year. In Katmandu, the capital of Nepal, there is already a Hot Shoppe, as the Nirulas' popular pizza place is called.

(Continued on Page 13, Col. 7)

Draft Settlement Reached to End World Tin Crisis

By Alexander Maxey
Reuters

LONDON — A draft settlement to end the four-month-old world tin trade crisis has been reached by producer and consumer nations and their creditors.

The breakthrough in the disagreement among the 22-country International Tin Council and creditor banks and brokers came early Saturday after 10 hours of talks.

Negotiators for the ITC producers and consumers were to present an outline of the settlement to their governments over the weekend and meet on Monday to hear the result.

The agreement, according to ITC delegates, appeared to have at least a moderate chance of success.

The London Metal Exchange, the world's largest tin-trading market, suspended trading on Oct. 24 after the ITC, the industry's cartel, said it had no more money to support prices.

Negotiators agreed to keep the details of the draft agreement confidential.

But it is based on a plan put forward by Peter Graham, a senior deputy vice chairman of Standard Chartered Bank PLC, and Ralph Kestenbaum, managing director of Gerald Metals Ltd., who have been negotiating on behalf of the creditor banks and brokers.

It envisages establishing a company, to be known as Newco, to take up the surplus ITC tin stock, totaling about 85,000 metric tons (93,500 short tons), and dispose of it gradually over about three years to avoid a sudden price collapse.

The creation of Newco would require capital of £270 million ($390 million).

Brokers and bankers wanted the ITC to put up £120 million, but ITC negotiators went into Saturday's meeting sticking to an earlier offer of £100 million.

There has been speculation that Britain, an ITC consumer which has promised conditional financial support, might have been asked to help bridge the gap.

Britain had offered £50 million if the council as a whole put in £120 million. Other European countries had argued that Britain should increase its share in order to safeguard the future of the London exchange.

Heseltine Calls for End Of Sales of U.K. Firms

Agence France-Presse

LONDON — The former defense secretary, Michael Heseltine, urged Prime Minister Margaret Thatcher on Sunday to halt the sale of British companies to foreign interests, and particularly the proposed sale of Land Rover, part of BL PLC, to General Motors Corp.

Mr. Heseltine, who resigned in January in a dispute with the cabinet over a U.S.-Italian rescue plan for Westland PLC, a British helicopter manufacturer, said: "I do not accept that the British people have neither the talent nor the will to solve our industrial problems or that every time we run into difficulties, we need to bring in foreign buyers."

Aided by Lower Oil Prices, Independent Refiners Bounce Back

By Winston Williams
New York Times Service

NEW YORK — The benefits of plunging oil prices are rippling through the business world. Energy-sensitive industries from airlines to utilities are cheering the almost daily declines. Wall Street is celebrating with higher stock prices and lower interest rates. Washington economists are eagerly revising their growth estimates upward and their budget deficit projections downward.

In the oil patch, however, long faces are the rule, with one surprising exception — the independent refiners. The giant integrated oil companies, which produce crude as well as refine it, are reeling. Many small drillers are near bankruptcy. Yet the independents are looking ahead to a much brighter future.

Just six months ago, these refiners, which buy crude oil on the open market and turn it into gasoline and heating oil, were in trouble. They paid dearly for their crude oil at the same time cheap imports of refined products flooded the market. Prices of their refined products collapsed and losses ran heavy.

But now cheaper crude oil prices have dramatically reduced the cost of the crude that these refiners buy and that will help them in their competition with the low-priced refined imports. "Everybody has the same raw materials' cost now," says William L. Randol, an oil analyst with First Boston. "It's just a matter now of who is more efficient."

Independents, ranging from well-known names like Ashland, Citgo and Diamond Shamrock to little known companies like Valero Refining and Marketing in Houston and Tesoro Petroleum in Los Angeles, have long been a thorn in the side of the Exxons and the Texacos.

They control nearly 30 percent of U.S. refining capacity and have often been able to undercut the retail prices charged by the major integrated companies.

Weakening crude oil prices will enhance their ability to take on the majors once again. "The independents won't have the tremendous losses that the majors will have on crude production," says John Lichtblau, chairman of the Petroleum Industry Research Associates.

The outlook is brightening on other fronts as well. Some independents, including Ashland and Southland's Citgo unit, are competing on an equal footing with the major integrated companies for profitable transactions with foreign crude oil producers.

Others, like Champlain Petroleum, a subsidiary of Union Pacific, and Coastal Refining, have been able to sell refined products to integrated companies like Shell, and thus have been able to continue operating at high percentages of capacity. Because of the plunging crude prices, Shell and others have reduced refinery output.

The improving prospects have been a long time coming. Refiners have been dropping into oblivion in increasing numbers since 1981, when oil prices were fully decontrolled and a welter of arcane subsidies were ended.

Then the import tide rushed in. In the last five years, "independent refiners were going out of business hand over fist," says George Jandacek, vice chairman of Crown Central Petroleum, in Baltimore.

But the independent refiners have been overhauling their business practices to adapt to the volatile new world of refining. Purchasing patterns have been altered and new supply lines have been secured — all as the cries for protective legislation continued to rise.

Profits for independents probably will be poor in the first quarter because many got caught holding crude oil inventories that they had purchased at lofty prices. But once they get past these and other adjustment problems their sailing should be a lot smoother.

The well-being of the independent refiners in this new environment depends even more on their access to cheap feedstocks. In Citgo's case, competing equally means access to cheap Venezuelan crude. Under a letter of intent signed earlier this month Southland will sell 50 percent of the equity in Citgo to Petróleos de Venezuela, SA.

AMC Had $125-Million Loss in '85

United Press International

DETROIT — American Motors Corp. has reported a $125.3-million net loss for 1985 and a $6.7-million loss for the fourth quarter as competition in the U.S. subcompact car market reduced sales of its two passenger car models.

The losses, reported Friday, compare with a net profit of $15.5 million for all of 1984 and a $3.12-million profit for the final quarter of that year. For full 1985, AMC's loss was $1.24 per share, compared with a profit of 4 cents per share for 1984.

Sales for 1985 were off slightly to $4.04 billion from $4.22 billion in 1984. Fourth-quarter sales rose slightly to $1.13 billion from $1.06 billion the year before.

AMC's president and chief executive, Jose J. Dedeurwaerder, called the latest results disappointing. He noted, however, that the automaker trimmed its loss during the second half of 1985 to $25.8 million, after a $99.5-million loss reported in the first half.

He said that intense competition in the auto industry to provide incentives to buyers had translated into high costs to keep pace with other manufacturers.

AMC, which is 46.1-percent-owned by Renault of France, makes only two passenger cars, the Renault Alliance and Encore.

Sales of the Alliance-Encore line last year fell 42.3 percent to almost 137,000 units from more than 237,000 in 1984. Jeep sales, however, rose 27 percent to a record 218,000 units from 171,000 in 1984.

AMC is pinning its hopes on 1987 when it is to introduce, in the third quarter, a new Renault-based intermediate car. It has invested heavily in a $675-million plant in Brampton, Ontario.

In addition to some new entries in the next year or so from Renault, the automaker plans to introduce a new Jeep model called the Wrangler, a replacement for the CJ series phased out last month. It is being built at the Brampton plant.

U.S. Study Finds More S&Ls Slipping Into Insolvency

Washington Post Service

WASHINGTON — Twenty-seven U.S. savings and loan institutions slipped into insolvency in the first half of 1985, bringing to 461 the number of S&Ls whose assets fall short of their liabilities, according to a General Accounting Office report.

The report, to be released Monday, said the gap between their assets and liabilities grew $100 million to $3.4 billion in the first six months of 1985.

Under U.S. regulatory rules, the insolvent thrifts should be merged or shut down. But the beleaguered Federal Savings and Loan Insurance Corp., the agency that insures depositors against loss, cannot afford to take such action without itself going broke.

Representative Stanford E. Parris, a Republican of Virginia, who is a member of the House Banking Committee, said Saturday that the severity of the crisis suggests that the chairman of the Federal Home Loan Bank Board, Edwin J. Gray, has "done nothing to fix the problem and should consider tendering his resignation." The bank board regulates S&Ls.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Apollo Comp.	17	17¼
Mr Gasket	8¼	8½
Bitter Corp.	5⅝	6⅛
Modulaire	12⅜	12¾
Rodime	10⅝	10⅞

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States

	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1697.71	1664.45	+2.00 %
DJ Util.	185.53	180.55	+2.76 %
DJ Trans.	797.72	771.49	+3.40 %
S & P 100	217.57	211.93	+2.66 %
S & P 500	224.62	219.33	+2.41 %
NYSE Cp.	129.41	126.46	+2.33 %

Source: Merrill Lynch, Paris.

Britain

FTSE 100	1513.20	1477.60	+2.41 %
FT 30	7249.40	1219.30	+2.47 %

Hong Kong

Hang Seng	1747.10	1777.50	—1.71 %

Japan

Nikkei 225	13394.30	13342.80	+0.39 %

West Germany

Commerzbk	1968.10	1855.40	+6.07 %

Source: James Capel & Co, London.

Money Rates

United States

	Last Wk.	Prev.Wk.
Discount rate	7½	7½
Federal funds rate	7 9/16	7 9/16
Prime rate	9½	9½

Japan

Discount	4½	4½
Call money	5 11/16	5 13/16
60-day interbank	5 15/16	5 15/16

West Germany

Lombard	5.50	5.50
Overnight	4.60	4.40
1-month interbank	4.30	4.40

Britain

Bank base rate	12½	12½
Call money	12½	12
3-month interbank	12⅛	12 13/64

Dollar

	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl Index	118.90	121.00	—1.74 %

Gold

London p.m. fix. $	338.00	331.35	+2.01 %

Currency Rates

Cross Rates

Feb. 21

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.617	3.782	112.98 *	36.80 *	0.1659 *	—	5.518 *	135.25 *	143.02 y
Brussels(a)	47.4425	68.57	20.46	6.4675	3.011 *	18.1295	—	24.51	25.948 *
Frankfurt	2.3155	3.345	—	32.565 *	1.4695 x	88.52 *	4.883 *	119.78 *	1.2655 *
London (b)	1.4445	—	3.3418	10.2615	2,268.00	3.7775	68.41	2.795	264.98
Milan	1,575.25	2,274.80	680.25	221.41	—	602.06	33.283	813.79	8.686
New York(c)	—	0.6873 #	2.2978	7.06	1,563.00	2.597	47.005	1.9220	182.475
Paris	7.1135	10.282	3.0784	—	4.5125 x	2.7185	14.991 *	3.6725	3.98 *
Tokyo	182.30	265.06	79.26	25.84	11.68 *	70.28	387.46 *	95.15	—
Zurich	1.9325	2.791	83.785 *	27.225 *	0.1229 *	74.14 *	4.09 *	—	1.058 *
1 ECU	0.9339	0.6474	2.164	6.6444	1,472.00	2.4448	44.314	1.8098	171.176
1 SDR	1.1345	0.78567	N.Q.	N.Q.	1,787.26	2.969	53.8235	2.1958	206.706

Closings in London and Zurich, fixings in other European centers. New York rates at the close. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (#) To buy one pound: $U.S.1.455

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.1875	Mex. peso	469.00	Soviet ruble	0.727
Austral. $	1.4205	Greek drac.	141.50	Norw. krone	7.18	Span. peseta	144.95
Austr. schil.	16.17	Hong Kong $	7.8055	Phil. peso	19.10	Swed. krona	7.34
Belg. fin. fr.	47.46	Indian rupee	12.2699	Port. escudo	150.00	Taiwan $	39.10
Brazil cruz.	13,240.00	Indo. rupiah	1,126.00	Saudi riyal	3.6518	Thai baht	26.405
Canadian $	1.3886	Irish £	0.7634	Sing. $	2.1335	Turkish lira	586.05
Chinese yuan	3.2079	Israeli shek.	1.4757	S. Afr. rand	2.0263	UAE dirham	3.673
Danish krone	8.51	Kuwaiti dinar	0.2838	S. Kor. won	888.30	Venez. boliv.	18.39
Egypt. pound	1.32	Malay. ring.	2.474				

£ Sterling: 1.1058 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Japan's Output Of Electronics Rises Only 5.6%

Agence France-Presse

TOKYO — Electronics production in Japan rose 5.6 percent in 1985 to to 17.84 trillion yen ($98 billion), according to the Electronic Industries Association of Japan.

It was the first annual gain of less than 10 percent since 1982, when the increase was 5.2 percent, the association said Saturday. Exports were up 2.4 percent to 9.21 trillion yen, also the first single-digit increase since the 6.6-percent rise in 1982.

Association officials attributed the slow growth to lackluster performances in three main product lines — videotape recorders, computers and integrated circuits. Japanese manufacturers have been forced to look to new products because of slumping sales of videotape recorders.

The report said that the production of integrated-circuit chips declined 6.7 percent to 1.84 trillion yen and exports plunged 25.1 percent to 581.8 billion yen, the first drop in 11 years.

Production and exports of VTRs also registered the first minus growth compared with the previous year, it said.

Japan Plans Action to Cope With Yen's Rise

Agence France-Presse

MURORAN, Japan — Japan plans to take measures to cope with the recent sharp appreciation of the yen against the dollar, Finance Minister Noboru Takeshita said Sunday.

He said that an unduly rapid rise in the value of the yen had caused concern among export-dependent companies, particularly small and medium-sized ones.

"We have to take steps swiftly to appease their anxiety," Mr. Takeshita said.

However, the draft budget for fiscal 1986 would first have to pass through the House of Representatives, and any measures taken would depend on the situation then, he said.

He indicated that he was basically in favor of the upward trend of the yen, saying that the disadvantages would be felt first but that a stronger currency would eventually bring about a rise in real income and thereby help boost the domestic economy.

■ **Help Planned for Companies**

Earlier, Sam Jameson of the Los Angeles Times reported from Tokyo:

The cabinet implemented Friday a controversial new law that would make low-interest loans available to small companies whose export businesses have been damaged by the rise of the yen.

Only a day earlier, the U.S. trade representative, Clayton K. Yeutter, said that the law violated the General Agreement on Tariffs and Trade, which forbids export subsidies. Mr. Yeutter said that the United States would take retaliatory steps.

Michio Watanabe, the minister of international trade and industry, issued a statement after Friday's cabinet meeting saying that the new law "contains absolutely no export-promoting intent" but that "some countries have misinterpreted this point."

The law's objective, he said, "is to encourage export industries to shift their focus from the foreign to the domestic market."

The law, which the parliament enacted Feb. 14, provides $1.7 billion for long-term, low-interest loans to small companies that have been affected by the change in the yen's relative value.

The dollar's value against the yen, at 242 yen per dollar in September, has since fallen sharply, to around 183 yen.

Makoto Kuroda, director of the Ministry of Trade and Industry's bureau on international trade policy, said the "subsidy effect" of the loans cannot amount to more than $21.7 million, even if all the loan money is used. The trade ministry will give preference to companies planning to convert export production to production for domestic consumption.

He would give no estimate of the monetary value of other measures authorized by the new law: Extension of loan payments, funds for plant modernization, special tax credits and loan guarantees.

Mr. Yeutter, in testimony to the trade subcommittee of the House Appropriations Committee, and other U.S. officials criticized the law as an attempt to wipe out the effects of the yen's appreciation.

Last Sept. 22, the finance ministers of Britain, France, West Germany, Japan and the United States agreed to work together to increase the value of all major currencies against the dollar.

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ROTHMANS INTERNATIONAL P.L.C.
(CDR's)

The undersigned announces that as from 27th February, 1986 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div.cp.no. 26 of the CDR's Rothmans International P.L.C., each repr. 100 shares, will be payable with Dfls. 7,46 (re interim dividend for the year ending 03.31.1986) 2.2p per share. Tax credit £-.943 = Dfls. 3,51 per CDR.
Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 13th February, 1986.

ADVERTISEMENT

MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.
(CDRs)

The undersigned announces that the 78th Ordinary General Meeting of shareholders will be held in Kadoma City, Osaka Prefecture in Japan on February 19th, 1986.
A notice of the meeting of Matsushita Electric Industrial Co., Ltd. will be available in Amsterdam at:
Pierson, Heldring & Pierson N.V.,
Algemene Bank Nederland N.V.,
Amsterdam-Rotterdam Bank N.V.,
Bank Mees & Hope NV,
Kas-Associatie N.V.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 11th February, 1986.

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277.
Prices may vary according to market conditions and other factors.

RECENT ISSUES

Feb. 21

Amt	Security		Mat	Str/ Conv	Issue Price	Mid Price	Yield
$ 200	Philip Morris Co Inc	9⅝	'96 Feb	s	100⅝	100½	9.88
$ 100	Eec Europ Econom Com	7⅝	'96 Feb	s	99⅞	100½	9.05
y 80000	Canada	6⅞	'91 Feb	s	100¾	100	6.72
$ 150	Council Of Europe	9⅝	'96 Feb	s	100¼	100½	9.30
$ 100	Eurofima	9¼	'96 Mar	s	100⅜	100¼	9.21
$ 100	Trw Inc	9¾	'93 Feb	s	100	100¼	9.70
$ 100	Long-Term Credit Bank	9½	'96 Mar	s	101⅛	100	9.50
$ 125	Colted Inc	6½	'01 Feb	c	100	109	5.60
ecu 40	New South Wales Treas	8⅞	'93 Mar	s	100⅜	99½	8.97
dm 300	Quebec Province	6½	'98 Mar	s	100	99½	6.64
$ 150	Deutsche Bank Finance	9⅝	'96 Mar	s	100⅛	99⅝	9.39
y 25000	World Bank	6½	'96 Feb	s	101⅛	100⅞	6.43
$ 200	Citicorp	10	'96 Feb	s	100⅝	99⅞	10.04
dm 150	Austrian Control B Pp	6½	'91 Feb	s	100½	99½	6.24
dm 150	Nat Bank Of Hungary	7½	'96 Feb	s	100	102⅛	6.93
y 10000	Walt Disney Productio	6⅛	'96 Feb	s	100⅛	100	6.62
$ 100	State Bk South Austr	9¾	'93 Feb	s	100	99½	9.35
$ 200	Credit Lyonnais	9	'91 Feb	s	100⅛	100¼	8.92
dm 300	Dai-Ichi Kangyo Bank	6½	'96 Feb	s	100⅜	98⅞	6.68
$ 125	Saab-Scania	9⅝	'91 Feb	s	100⅝	101⅛	9.11
$ 200	Merrill Lynch Co	9	'89 Feb	s	100⅝	100	8.99
$ 150	Eec Europ Econom Com	8⅞	'91 Feb	s	100⅛	99¾	8.69
$ 200	World Bank (2)	9⅝	'16 Jan	s	101⅛	100⅞	9.51
dm 100	Pirelli Deutschld W/w	3	'93 Feb	s	100	118	.37
dm 100	Pirelli Deutschld X/w	3	'93 Feb	s		81⅞	6.38
$ 150	Credit National	9⅛	'93 Feb	s	100	100⅛	9.03
y 10000	Associates North Amer	6⅞	'93 Nov	s	100⅛	99½	6.87
$ 50	Feder Business Dev Bk	8⅞	'93 Feb	s	100	96⅞	9.51
dm 250	Mitsubishi Heavy	2½	'99 Jap	c	100	100½	2.16
$ 250	Grace Wr & Co 15.81	7	'01 Feb	c	100	106½	6.32

STRAIGHT BONDS

All Currencies Except DM

Amt	Security	%	Mat	Mid Price	Yld Ave Mat	Life	Curr
	AUSTRALIA						
$ 50	Australia	8¾	'86 Jun	99¾	9.28		8.77
$ 120	Australia	8¾	'86 Oct	99½	9.22		8.54
$ 100	Australia	11¾	'90 Oct	110⅞	8.47		10.29
y 15000	Australia	8½	'91 Aug	101⅛	8.07		8.35
$ 60	Australia	8⅛	'91 Oct	99⅜	8.93	9.04	8.83
y 15000	Australia	8⅜	'92 Oct	103⅛	7.96		8.35
$ 200	Australia	11	'95 May	111	9.17		9.91
$ 300	Australia	11½	'95 Oct	114½	9.16		10.04
$ 100	Australia	11⅜	'98 Oct	117⅛	9.24		9.91
$ 100	Australia	11¾	'00 May	122⅜	9.56		9.98
$ 25	Alcan Australia	8½	'89 Apr	98	9.24		8.67
$ 60	Alcoa Of Australia	10	'89 Jan	100	9.96		10.00
$ 30	Alcoa Of Australia	13½	'91 Apr	101	13.19		13.37
$ 80	Alcoa Of Australia	11	'92 Jul	104⅛	10.07		10.56
ecu 50	Austra New Zealand Bk	9¼	'92 Apr	102	9.28		9.56
$ 75	Australian Ind Dev Co	11	'89 Feb	106¼	8.36		10.32
$ 100	Australian Ind Dev Co	11⅞	'90 Feb	101¼	11.46		11.73
$ 40	Australian Mini Smelt	9¼	'92 Jun	97½	9.78	9.98	9.49
$ 100	Australian Resources	13½	'87 Apr	102	11.41		13.24
$ 30	Broken Hill Pty	8¼	'89 Apr	98½	8.81	9.23	8.38
$ 150	Broken Hill Pty	14⅛	'89 May	107⅛	11.86		13.75
$ 100	Broken Hill Pty	12	'98 Jan	107	9.75		11.21
$ 20	Broken Hill Pty	10	'90 May	100⅛	9.98	9.87	9.98
$ 150	Broken Hill Pty	10	'92 Dec	102⅝	9.42		9.73
$ 40	Comalco Invest Europe	10⅜	'91 Jul	100	10.22	10.21	10.25
$ 25	Comalco Limited	10	'87 Apr	100	9.95	9.96	10.00
$ 100	Commonwealth Bk Austr	12⅞	'89 Nov	111⅛	8.54		11.09
I 40	Commonwealth Bk Austr	11	'92 Apr	98½	11.34		11.17
$ 100	Commonwealth Bk Austr	10	'93 Nov	105	9.85		9.52
$ 75	Csr Limited	16	'89 Jul	116	10.14		13.79
$ 40	Hamersley Holdings	9½	'92 Jan	97⅛	10.16	10.42	9.78
$ 36	K Mart Finance	9	'86 Oct	100	8.84	8.74	9.00
$ 100	Mount Isa Finance	13⅝	'87 Jul	106⅛	8.72		12.94
$ 100	Mount Isa Finance	11	'95 Dec	103⅛	10.42		10.64
$ 50	National Austr Bank	11⅛	'90 Apr	104	10.00		10.82
ecu 60	New South Wales Treas	8⅞	'93 Mar	99¾	8.97		8.92
ecu 50	Primary Industry Bank	9¾	'92 Apr	102¾	9.13		9.49
ecu 40	Primary Industry Bank	11⅛	'93 Jul	108⅛	9.62		10.39
$ 140	Qantas Airways	10⅞	'95 Jul	107⅛	9.15		9.66
$ 100	Queensland	11⅛	'89 Dec	106¼	8.66		10.48
$ 100	Queensland	10¼	'95 Aug	105⅞	9.27		9.68
$ 50	Rural Industries Bank	12	'91 Feb	107¼	10.08		11.19
ecu 100	Sec Pacific Australia	8¼	'90 Jul	98½	9.16		8.88
$ 100	State Bk New S Wales	11⅛	'90 Jan	105	9.84		10.53
$ 100	State Bk South Austr	10⅛	'92 Feb	104	9.35		9.86
$ 100	State Bk South Austr	9⅛	'93 Feb	99½	9.35		9.17
$ 100	State Elec Com Victor	10	'92 Nov	103⅞	9.19		9.63
$ 20	Tnt Overseas Finance	9	'87 Aug	99	9.68	10.11	9.09
$ 150	Treasury New S Wales	11⅛	'98 May	109⅛	8.88		10.72
I 50	Treasury New S Wales	10¾	'92 Dec	96	11.48		11.07
ecu 75	Victoria Public Autho	8⅞	'90 Dec	100¼	8.79		8.85
$ 150	Victoria Public Autho	11⅛	'92 Apr	110⅛	9.30		10.52
$ 50	Western Mining Corp	9	'92 Oct	95	10.05	10.14	9.47
$ 100	Westpac Banking Co	12⅜	'92 Jan	107	10.92		11.57
ecu 50	Westpac Banking Co	9⅝	'92 Nov	101¼	9.35		9.46
$ 100	Westpac Intl Finance	11	'90 May	105¼	9.42		10.45
	AUSTRIA						
$ 150	Austria	15½	'88 Mar	112¾	8.57		13.76
$ 50	Austria	8¾	'90 Aug	99	9.08	9.03	8.84
$ 100	Austria	13⅜	'92 Jul	120⅜	9.25		11.23
ecu 100	Austria	10⅜	'93 Jan	107⅛	9.11		9.88
$ 200	Austria	11⅛	'95 Jun	112	9.21		10.04
y 30000	Austria	7	'95 Apr	103⅛	6.51		6.78
cn$ 63	Austrian Control Bank	16¼	'88 Jun	109	11.52		14.91
$ 100	Austrian Control Bank	10¾	'90 Jan	107	8.71		10.05
$ 175	Austrian Control Bank	10	'91 Apr	105	8.74		9.52
I 30	Austrian Control Bank	12⅛	'91 Jun	102⅛	11.62		11.98
$ 52	Austrian Control Bank	15¼	'92 Apr	125⅜	9.62		12.19
$ 30	Austrian Control Bank	12	'94 Dec	114¾	9.50		10.47
$ 30	Creditanstalt-Bankver	10⅜	'88 Jun	104	8.70		10.10
$ 100	Creditanstalt-Ban X/w	14	'88 Jul	107⅞	9.99		12.76
$ 100	Creditanstalt-Bankver	11⅛	'90 Jul	106	9.49		10.61
$ 75	Creditanstalt-Bankver	15½	'90 Jul	113½	11.48		13.66
$ 100	Creditanstalt-Bankver	13⅝	'91 May	115⅛	9.24		11.36
ecu 67	Creditanstalt-Bankver	8⅞	'94 Dec	100⅛	8.82		8.85
$ 40	Donaukraftwerke Ag	11⅛	'93 Feb	111	9.53		10.59
$ 50	Genossen Zentralbank	11½	'90 Apr	104⅝	10.06		10.99
$ 100	Genossen Zentralbank	14	'91 Jun	113	10.45		12.39
$ 50	Giroz Bank Sparkassen	15¼	'89 Sep	116⅞	9.51		13.10
$ 75	Giroz Bank Sparkassen	13⅛	'91 May	114⅛	9.59		11.57
cn$ 75	Giroz Bank Sparkassen	14	'91 Jul	110	11.37		12.73
ecu 60	Giroz Bank Sparkassen	10⅛	'93 Dec	104⅛	9.23	9.17	9.84
$ 75	Postsparkasse	12⅛	'89 Apr	107	8.92		11.36
$ 30	Tauernautobahn Ag	8⅛	'87 Mar	99¼	8.99	9.12	8.31
$ 38	Trans Austria Gasline	7½	'88 Jan	98	8.67	8.97	7.65
$ 47	Vienna City	12¼	'92 Oct	112	9.70		10.94
cn$ 81	Vienna City	13½	'94 Jul	110	11.51		12.05
$ 50	Zentralsparka-Kommerz	11¼	'90 Feb	105½	9.65		10.78
cn$ 50	Zentralsparka-Kommerz	11⅛	'95 Feb	106	10.88		11.20
	BELGIUM						
ecu 40	Cerlovest	9	'93 Feb	101½	8.70		8.87
$ 100	Genfinance	11⅛	'98 Jan	105	9.63		10.71
cn$ 75	Kredietbank Ifima	12	'92 Jan	102⅞	11.38		11.66
ff 125	Solvay	9¾	'87 Apr	99¾	9.93		9.77
	CANADA						
$ 750	Canada	14⅞	'87 Jun	107⅛	8.26		13.40
$ 300	Canada	10⅞	'88 Oct	104⅛	8.88		10.38
$ 300	Canada	11½	'90 Mar	107⅛	8.53		10.47
y 80000	Canada	6⅛	'91 Feb	100	6.72		6.13
$ 500	Canada	10	'95 Nov	106	9.43		9.45
$ 50	Abitibi-Price	15⅜	'91 Dec	115⅞	11.58		13.44
$ 40	Air Canada	11⅛	'94 May	100	11.23		11.25
$ 50	Aluminium Co Canada	9½	'88 Apr	99¾	9.54	9.53	9.51
$ 100	Aluminium Co Canada	11⅛	'95 Jun	100	10.70		10.92
$ 60	Amca Intl	11⅛	'98 Jun	104	10.88		11.06
[illegible]	[illegible]						

(Remaining entries of the Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Miscellaneous, Netherlands, New Zealand, Norway, South Africa, Spain, Supranational, Sweden, Switzerland, United Kingdom and U.S.A. sections: [illegible])

HIGHEST YIELDS to Average Life Below 5 Years

Amt	Security	%	Mat	Mid Price	Mat	Ave Life	Curr
$ 125	Pemex Petroleos Mexic	11½	'88 Jul	89¾	17.15	18.19	12.85
$ 15	Ward Foods O/s Capita	5¾	'88 Nov	78	16.45	17.62	7.37
$ 40	Mexico	8½	'87 Mar	96½	12.15	14.47	8.81
$ 50	Anglo American Corp	7½	'87 Mar	97	18.72	13.41	7.73
$ 30	Mexico	8¾	'91 Dec	85	12.51	13.30	10.29
$ 50	Uer O/s Finance	13½	'88 Oct	100⅞	13.86	13.81	13.40
$ 25	South Africa	7¾	'87 Dec	93	13.23	12.43	8.33
$ 50	Eksportfinans	14½	'89 May	102	13.23	12.38	14.08
$ 14	Reliance Transcontine	6⅛	'88 Feb	90½	11.98	12.82	6.91
ff 100	Oslo City	7¼	'87 Mar	92¾	25.37	21.75	7.82
$ 50	Bass Charrington	7½	'87 Aug	90	15.63	20.17	8.33
ff 200	Renault	7¼	'87 Mar	97½	16.52	19.74	7.32
ff 100	Basf Transatlantica	7½	'87 May	97½	15.75	19.02	8.30
ff 100	Bat Intl Finance	7½	'87 Nov	89¾	14.72	17.82	8.38

HIGHEST YIELDS to Average Life Above 5 Years

Amt	Security	%	Mat	Mid Price	Mat	Ave Life	Curr
$ 50	Ingersoll-Rand Intl	13¼	'95 Oct	107⅞	11.87	11.53	12.33
$ 75	Caisse Nat Autoroutes	15⅜	'97 Mar	119⅛	12.52	11.44	12.88
$ 50	Dome Petroleum	10	'94 Jul	95	10.92	11.15	10.53
$ 40	Ottawa-Carleton	14⅜	'97 Jun	115	12.21	11.06	12.83
$ 50	Hudsons Bay	10	'94 Feb	96½	10.67	10.84	10.36
$ 50	Macmillan Bloedel	9⅛	'93 Mar	94	10.49	10.67	9.84
$ 75	Intl Standard Electri	12	'96 Mar	106½	10.90	10.50	11.27
$ 50	Macmillan Bloedel	9	'92 Feb	94	10.40	10.49	9.57
$ 50	Eca Euro Coal & Steel	9	'99 Jan	91	10.29	10.44	9.89
cn$ 50	Canadian Utilities	17	'96 Dec	117½	13.77	13.10	14.47
I 30	Indust Bank Japan Fin	11⅛	'95 Dec	101	11.44	11.36	11.51
cn$ 40	Royal Bank Of Canada	10	'94 May	95	10.93	11.07	10.53
cn$ 40	Royal Bank Of Canada	9	'92 Feb	95	10.15	10.25	9.47
ecu 40	Rea Auto Transp Paris	10⅜	'92 Apr	104	9.96	9.83	10.46

HIGHEST CURRENT YIELDS

Amt	Security	%	Mat	Mid Price	Mat	Ave Life	Curr
$ 175	Mexico	18⅜	'97 Jul	102½	17.99		18.05
$ 75	Pemex Petroleos Mexic	17¾	'86 Nov	99	18.64		17.68
$ 75	Transcanada Pipelines	17⅜	'88 Oct	105¼	14.80		16.78
$ 75	Ohio Edison Finance	17¾	'88 Oct	105½	14.72		16.39
$ 75	Occidental Intl Finan	16¾	'87 Mar	101	14.58		16.58
$ 60	Gulf States O/s Finan	17⅞	'88 Oct	105¾	14.56		16.55
$ 75	Genstar	17	'88 Oct	106	15.14		16.51
$ 50	Winnipeg City	17	'86 Oct	105⅛	8.17		16.15
$ 50	Niagara Mohawk Financ	17	'89 Sep	105⅞	14.71		16.08
cn$ 50	Nacional Financiera	17¾	'87 Mar	101½	16.03		17.49
cn$ 60	Hudsons Bay	18	'87 Nov	103	15.66		17.48
cn$ 50	Quebec Province	17¾	'87 Oct	104¾	14.57		17.18
cn$ 40	Canadian Pacific	17⅜	'87 Nov	104	14.81		17.07
cn$ 100	Feder Business Dev Bk	17¾	'86 Oct	104	11.14		17.07

(Continued on Page 10)

ZERO-COUPON BONDS

Feb. 21

Security	Final Maturity	Original Offerings Amt	Year	Price	Offered Price
American Intl Group	15 Aug 2004	$ 250	1984	12	17¾
Asian Develop Bank	31 Aug 2004	$ 1000	1984	10½	17
Atlantic Richfield Co	4 Feb 1992	$ 500	1982	25⅝	56½
Baker Intl Finance	25 Feb 1992	$ 225	1982	24.70	52¾
Beatrice Foods O/s	9 Feb 1992	$ 250	1982	25½	51
Campbell Soup O/s Fin	21 Apr 1992	$ 200	1982	27	50⅝
Caterpillar Fin Serv	11 Aug 1992	$ 300	1982	24	53¾
Caterpillar Fin Serv	11 Feb 1994	$ 140	1982	19.94	45⅞
Centrust Savings Bank	15 Feb 2010	$ 1200	1985	5.995	9
Commerzbank	22 May 1995	dm 300	1985	38	57⅛
Commerzbank	4 Aug 2000	dm 300	1985	30½	41⅞
Connecticut Mut Life	11 Sep 2000	$ 115	1985	18.00	34⅛
Dow Chemical	30 May 1997	$ 300	1985	27	30¾
Du Pont O/s Capital	11 Feb 1998	$ 300	1982	33.49	71
Eksportfinans	3 Oct 1994	$ 250	1984	32¼	46
Electricite France	17 Sep 1994	$ 300	1984	32⅛	46½
Exxon Capital	16 Nov 2004	$ 1800	1984	11.66	17⅝
Florida Feder Savings	15 Jul 1995	$ 160	1985	26.15	40⅝
Gaz De France	28 Feb 1992	$ 150	1982	25.82	53¼
Gaz De France	1 Mar 1994	$ 150	1982	19.85	41
General Electric Cred	17 Feb 1992	$ 400	1982	26.88	59⅞
General Electric Cred	17 Feb 1993	$ 400	1982	22.80	55
General Electric Cred	4 Mar 1994	$ 200	1982	19¾	49¾
General Electric Cred	4 Mar 1995	$ 500	1982	17¼	46
General Electric Cred	10 Jul 1996	$ 600	1984	25.51	40½
General Mills Inc	15 Aug 2004	$ 250	1984	11.05	16⅞
General Mills Inc	15 Aug 2013	$ 1000	1984	4.80	6¾
Gmac O/s Finance	10 Feb 1990	$ 100	1982	34	71
Gmac O/s Finance	3 Feb 1992	$ 250	1982	29¼	59⅞
Gmac O/s Finance	1 Oct 1992	$ 400	1982	27¾	55⅝
Gulf Oil Finance	2 Mar 1992	$ 300	1982	25.82	56½
Hewlett-Packard Fin	2 Jan 1991	$ 150	1982	44⅝	65⅞
New England Life	1 Feb 1999	$ 80	1985	20⅞	39¾
Nordic Investment Bk	11 Sep 1994	$ 150	1985	31¼	48⅝
Pearson	7 May 1992	£ 100	1985	49⅞	50
Penney Jc Global Fin	17 Feb 1994	$ 350	1982	18¼	46⅞
Pepsico Capital	4 Feb 1992	$ 100	1982	31	58½
Pepsico Capital	2 Mar 1994	$ 125	1982	20⅜	47⅛
Philip Morris Credit	22 Feb 1990	ecu 120	1985	56.70	54¾
Philip Morris Credit	8 Jun 1994	$ 300	1982	22¾	47⅛
Prudential Realty Sec	15 Jan 1999	$ 345	1984	20.85	31
Redland Finance	25 Apr 1992	£ 45	1985	48	50
Reynolds RJ O/s	17 Feb 1992	$ 400	1982	25⅞	55⅝
Sears Overseas	18 Feb 1992	$ 400	1982	24.72	53⅝
Sears Overseas	27 May 1994	$ 400	1982	22¾	46⅝
Sears Overseas	12 Jul 1998	$ 500	1984	20½	32⅞
Swedish Export Credit	18 Mar 1994	$ 200	1984	19.70	31
Swedish Export Credit	11 Sep 1994	$ 250	1984	32.925	45⅞
Swiss Bank Corp	14 Nov 1997	$ 400	1984	25	40½
Wells Fargo Intl Fin	4 Feb 1993	$ 125	1982	49⅝	61½
World Bank	20 Dec 2015	1000	1985	13	16⅞
Xerox Credit O/s Fin	11 Feb 1992	$ 250	1982	25½	58

WestLB

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Marketmakers in Deutschmark Bonds WestLB
Westdeutsche Landesbank

هكذا من الاصل

ABBL

LUXEMBOURG IN THE NEWS

A report for international decision-makers

■ I/86

Luxembourg building on solid ground as an international financial center

BY KARL GRUEN

Three distinctive trends continue to govern money and capital markets: Barriers between domestic and international markets are being dismantled; traditional bank lending is being fused with, if not substituted by, standardized financing vehicles, and the increasing use of innovative investment and lending techniques is both cause for and consequence of a more enlightened environment provided by governments and supervisory authorities.

Luxembourg as a financial center is proving that it is well placed and well prepared to meet the challenges arising from such developments.

The emergence of a truly global marketplace for finance, the growing securitization of money and capital flows and, within that process, the increasing awareness of the need for deregulating market structures and practices without financial anarchy are having profound effects on all financial centers. Luxembourg is no exception. Indeed, some of the changes have been and still are most visible in this member country of the European Community.

Luxembourg moving forward

Luxembourg is coming to grips with most of the new challenges. Old and new financial institutions have been demonstrating a degree of flexibility and ingenuity that has earned them respect and admiration both from competitors in other centers and from discerning clients.

The unique attractions of Luxembourg are a combination of factors that all fall under these categories: reliability, quality and flexibility. Add to this the natural advantages of easy accessibility due to its geographical location and a long-established tradition as a neutral meeting place for ideas, cultures and trade, and it is clear why the international financial center of Luxembourg is, contrary to some misconceptions, alive and kicking – and growing.

Over the past five years, it has become fashionable to link the viability of Luxembourg as a financial center to the relative decline in the importance of the Eurolending business or, at least, Eurolending's declining profitability for the banks involved. Yes, Luxembourg's international banking community did experience only modestly growing balance sheet totals – as did banks all around the world that were faced with the shock consequences of over-exposure to doubtful or bad international risks. But with a share of slightly less than about 9 percent of the total for European banks in the BIS reporting scheme, it does rank third after the United Kingdom and France, an unchallenged position it already held five years ago.

Diverse service potential

Each of the 119 banks in Luxembourg, 107 among them subsidiaries or branches of foreign banks, has, of course, its distinct reasons for maintaining its presence there. The pursuit of wholesale business may still be the dominant objective for some of them. Others regard Luxembourg as a natural location from which to service their commercial clients in neighboring countries. In addition, an increasing proportion of foreign banks have been and are exploring new areas of activities in the context of private banking. As elsewhere, fee earning business has become the key word for the eighties.

The shift in emphasis is not always evident from just examining balance sheets. The Institut Monétaire Luxembourgeois, for instance, stopped including fiduciary accounts in the overall banking statistics as from 1984. But one important new feature is obvious to everybody: the ratio of interbank to non-bank deposits has changed dramatically. From an average of almost 8:1 in 1979, it has declined to below 4:1 in 1985. The implications are that refinancing of the Luxembourg banks' lending business is becoming less expensive and that in general terms the commercial and private clientele is increasingly using Luxembourg for international transactions.

The explosive growth of the market for international securities is reflected in a quite remarkable share of the business for Luxembourg-based institutions. Indeed, just as Luxembourg was involved in the very birth of the Eurodollar bond market in 1965, so the more recent upsurge in the importance of ECU-denominated instruments must also be credited to the pioneering spirit of Luxembourg.

Today the share of Luxembourg-based underwriters of public international bond issues is as impressive as ever – and increasing. In the first half of 1985, it stood at 51.5 percent for the total of all new Eurobond issues against 25.4 percent in 1984, 22.7 percent in 1983 and 16.3 percent in 1982. In absolute terms, the deals with a Luxembourg connection amounted to the equivalent of $ 20.8 billion out of a world total of $ 66.3 billion in the first half of this year, compared with $ 16.8 billion ($ 71.5 billion) in 1984 as a whole and $ 5.1 billion ($ 11.5 billion) in 1976. Moreover, 62 percent of all Eurobond public issues have a Luxembourg listing.

For some market sectors, including the ECU-denominated bonds, the record is even more impressive. Bond issues denominated in the European Currency Unit have, within the last three years, consistently gained in importance. ECU bonds meanwhile make up the third largest sector in the international bond market, after US dollar and DM issues. In 88 percent of all ECU issues since 1981 Luxembourg institutions play a decisive role, and almost without exception, all these ECU issues are listed on the Luxembourg Stock Exchange.

Private banking on the rise

The approach to this field of activity varies, but a clear pattern seems to be emerging. While there are still a number of banks that most probably will continue to concentrate on wholesale business and/or to offer trade-related services, many banks in recent years have begun to step up the development of their private banking business. Some of these, mostly long-established banks with strong domestic roots, have no difficulty offering home grown full service facilities complemented by a strong international presence in other centers. Other banks, as a rule usually those that are part of a large network of multinational banks, confine themselves to the role of personal advisory posts channeling individual customer requests through to their own worldwide system of research and special services.

Thus, from money market and foreign exchange operations to Eurofinancings, from the establishment of offshore holding companies to assistance in all types of trade financing, from the buying and selling of securities and precious metals to trust administration and to portfolio management – Luxembourg-based financial institutions are outgrowing earlier perceptions of their existence.

Record of stability

The Grand Duchy enjoys a very high degree of stability. Its political and social structures reflect traditional values such as liberty, pragmatism and diligence, and are supported by a sound constitutional and legal framework. The country's labor relations record is exceptionally good. Government finances are healthy. Inflation and unemployment levels are decisively below European averages. There are no restrictions on capital transactions. The principle of strict confidentiality in banking is stipulated by law. Furthermore, Luxembourg does not have withholding tax on interest.

The international outlook of the people of Luxembourg comes naturally and is firmly rooted in Europe's history. The independent status of the Grand Duchy, first recognized by international treaty in 1867, has been a stimulus for making Luxembourg the seat of major financial EC institutions, such as the European Investment Bank, Directorate General for Credit and Investments of the EC Commission and European Fund for Monetary Cooperation. It is also the home of the Secretariat of the European Parliament, the European Court of Justice, the European Court of Auditors, and the European Office for Official Publications.

The Government, including the regulatory and supervisory authorities for the banks and other financial organizations, has consistently demonstrated a high degree of firmness combined with pragmatism in safeguarding the soundness and integrity of the financial system.

Facts about Luxembourg

Area	2,586 square kilometers (approx. 999 square miles)
Population	366,000, including 96,000 resident foreigners
Working population	150,000, including 15,000 commuters from neighboring countries
Employment by sector	Industry – 40,000 Construction – 14,800 Agriculture – 7,000 Services – 57,800
Government	Constitutional monarchy with parliamentary democracy
Main political parties	Christian Social, Socialist, Liberal Democratic
Languages	French, German, English, Luxembourgish
Currency	Luxembourg Franc (Lfrs.)
GDP per capita	Lfrs. 564,000 (US $ 11,000)
Number of banks	119
Total bank assets	Lfrs. 7,478 billion (US $ 156.71 billion, September 1985)

"Solidity Combined with Flexibility"

Interview with Remy Kremer, President of the Association des Banques et Banquiers Luxembourg (ABBL) on the future of Luxembourg as an international financial center.

Question: Reviewing bank balance sheet totals, growth overall seems to have slowed down. What are the implications for Luxembourg as a major international banking center?

Kremer: Slowdown in asset growth is a universal development common to most institutions active in international lending. Luxembourg banks, with their historically strong positions in Eurolending, are no exception but the emphasis is more than ever on quality rather than growth only. In its regular quarterly statistics, the Bank for International Settlements recently reported only "modest" increases in external assets by banks in the U.S., Canada, France, Germany, Italy, Switzerland and the United Kingdom, whereas banks in Luxembourg were reported to have shown "significant external asset growth."

Question: What does this growth imply?

Kremer: First, a global shift in banking activities cannot be associated with the performance of one particular center only. Second, Luxembourg's important role as a Eurocenter is reconfirmed. And third, balance sheet totals alone do not necessarily reflect the soundness or viability of an enterprise. In the case of Luxembourg, for instance, one should bear in mind that lending to Western borrowers makes up almost three-quarters of the banks' total lendings. In addition, modest net profits in many cases may well be the result of prudent policy in regard to loan loss provisions. Another important measure of quality is also not reflected in balance sheets, namely the growth in fee income.

Question: What specific areas represent substantial growth potential for banks in Luxembourg?

Kremer: Each bank has, of course, its own strategy. However, Eurolending will, for a number of banks, continue to be a solid base from which to branch out into other service activities. Currency dealing, trade related services as well as the issuing and placing of international capital market instruments will continue to be key activities. For an increasing number of Luxembourg-based banks, private banking will certainly account for a greater share of their activities.

Question: What's the special appeal of Luxembourg for private banking?

Kremer: The positive trend over the past five years has clearly documented that Luxembourg-based banks and financial institutions have excellent potential to broaden this service aspect and build on an already impressive tradition. Our political and social environment is stable. The country's legal and fiscal framework is attractive and reliable. Our banking legislation provides a degree of confidentiality second to no other international financial center. Customers are assured of being served by a professional and highly motivated multilingual staff. We have the necessary infrastructure. Fees at all levels are highly competitive in comparison with those of other centers.

Question: With the emphasis on more and more securitization, will Luxembourg's traditional strength in providing services to the Eurobond markets lose some of its appeal?

Kremer: As more and more investors and borrowers turn to securities as an effective means for channeling funds, competition for providing the necessary services will grow. We are not preoccupied with "market share" as long as Luxembourg business thrives in absolute terms. When the Eurobond market was born, Luxembourg was an integral part of that process. In view of the market's global development, today's some one-third share of Luxembourg participations in the launching of public Eurobond issues is still very decisive. The same applies to Luxembourg's key position in having made ECU bond issues the third largest sector in international capital markets, after the US dollar and the DM.

Question: What makes you so confident that Luxembourg can meet the challenge of rapidly growing diversification and sophistication in international money and capital markets?

Kremer: Luxembourg's involvement in the Eurobond market, and in particular its role in the rise of the ECU from a mere basket currency unit to a widely accepted investment vehicle, underlines our center's creative and innovative potential. Moreover, the universal bank character of the majority of financial institutions in Luxembourg allows for quick adaptability to changing business conditions. As for so-called innovations, Luxembourg's banks are, of course, equipped to serve clients who want to use the latest financing and/or investment instruments. But both our banking authorities and the banks themselves will continue to exercise caution and judiciously evaluate these instruments. Luxembourg banks have developed a profound understanding of the needs of their international clients and know that they expect, first and foremost, solidity combined with flexibility.

Luxembourg Banking in Brief

	1975	1981	1982	1983	1984	1985[1]
Number of banks	76	115	115	114	115	119
of which foreign	64	102	102	102	105	107
Number of employees	5,846	8,069	8,621	9,024	9,582	9,676
% of working population	3.7	5.0	5.4	5.7	5.9	6.0
Balance sheet totals (Lfrs. billion)	1,478	5,081	5,987	6,592	7,351	7,478
Foreign currency assets as %	84.8	87.7	89.0	89.2	89.0	88.4
Foreign currency liabilities as %	85.6	86.5	86.7	87.3	87.6	86.7
Share in Euromarkets % of assets[2]	9.5	10.5	10.3	9.3	9.1	9.5
of which on the non-bank sector	21.2	20.1	19.0	17.5	17.5	17.6
Share in Euromarkets % of liabilities[2]	9.0	9.2	9.0	8.1	7.8	8.1
of which on the non-bank sector	10.3	7.7	6.4	5.8	6.5	7.5
Share in Eurobond mgmt. groups (%)	40.4	21.8	16.5	22.7	23.4	31.3
Eurobonds with Luxembourg listing (%)	62.6	45.4	47.9	61.9	57.3	61.8

1) End of September 1985, except for number of employees, share in Eurobond management groups and Eurobonds with Luxembourg listing, which are for end of June 1985.
2) Share of Euromoney market, as reported to BIS by 15 European countries: before 1983 without Finland, Norway and Spain.
Sources: Institut Monétaire Luxembourgeois, Bank for International Settlements.

Luxembourg makes private clients feel welcome.

For many international investment advisors and portfolio managers, life begins with large sums. Their highest ambition is to serve either institutional investors or wealthy individuals, ideally both. Knowledgeable international clients, with large and not so large amounts to invest, are increasingly demanding that professionalism and personalized service go hand in hand: In Luxembourg, the number of private clients is swelling and this is one of the main reasons.

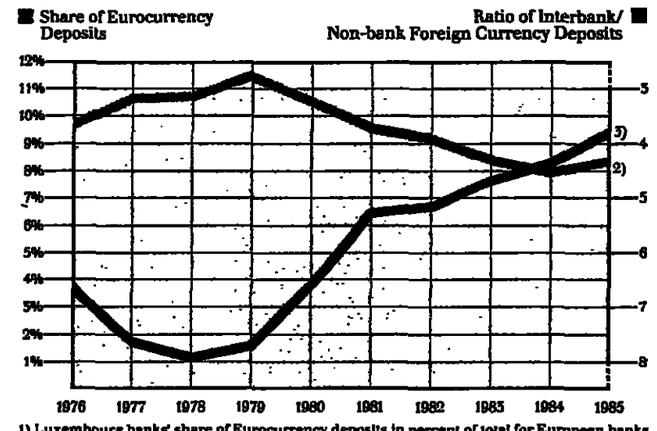
For at least two-thirds of the 119 banks registered in Luxembourg, private banking is a significant part of their business, although most of them still rely heavily on wholesale banking.

Luxembourg has a tradition in private banking. For many years, the Luxembourg banks have successfully served both domestic and international clients. The proverbial Belgian dentist, that retail investor in the Eurobond market who allegedly purchased vast numbers of Eurobonds never to sell them again, was seen around Luxembourg long before the beginning of this decade when more and more foreign-owned banks operating in Luxembourg began to strengthen their private banking capabilities.

With international investors becoming more sophisticated, the species of the Belgian dentist has grown both in stature and in numbers in other countries as well. Drawing on the facilities and infrastructure built up during the Eurolending boom years, many banks have found that private banking has added rewarding dimensions to their activities.

The growing number of international investment funds and investment trusts registered and administered from Luxembourg suggests that banking and trading facilities compare favorably with those in global money and capital markets in general. Since the end of 1981 alone, 66 new funds have been added to the list of officially registered funds now totalling 147. At the end of June 1985, their total assets amounted to the equivalent of Lfrs. 476.5 billion (US $ 7.69 billion), almost six times the average during the seventies.

Growth of Private Banking Deposits[1] in Luxembourg



1) Luxembourg banks' share of Eurocurrency deposits in percent of total for European banks reporting to BIS: Belgium, France, Germany, Luxembourg, Netherlands, Sweden, Switzerland, United Kingdom. From 1977 also Austria, Denmark, Ireland. From 1983 also Finland, Spain, Norway.

2) End June. 3) End September.

Sources: Institut Monétaire Luxembourgeois, Bank for International Settlements.

Private banking in Luxembourg has a number of distinct advantages. These include very competitive banking and brokerage fees, for international clients the freedom from tax on their investments, and the absence of transaction taxes on secondary market dealings. Luxembourg is also one of the rare places in the world where there are no tax charges on the purchase of precious metals. Moreover, foreign holding companies have for many decades enjoyed relatively low taxes for their incorporation and annually after that.

One of the most important "structural" advantages Luxembourg has built for itself and its international clients in recent years, however, is its banking legislation. The Banking Act of 1981, for the first time, formally acknowledged a long standing tradition of confidentiality in the relation of bankers with their customers. The provisions of that legislation compare very favorably with anything similar in other financial centers. For everybody to whom confidentiality in money matters is important, it is more than reassuring that bank secrecy as such is legally institutionalized.

Impressive as all these advantages are, they still do not fully explain why more and more international investors are choosing Luxembourg for their private banking needs. Luxembourg banks do not claim a monopoly on efficiency. But they rightly can point out that they have, in addition to their broad range of service facilities, one important psychological weapon in their arsenal. Customers, big and small, are made welcome not only with competitive fees, professionalism and flexibility, but also with a very personalized approach which has become the hallmark of most of the Luxembourg institutions. As one not unimportant investor put it recently: "When I'm in Luxembourg, I do not have to prove first that my net worth is at least half a million before I am offered a seat."

Mr. Jacques Grosjean, Press Secretary, ABBL,
Luxembourg Bankers Association,
B.P. 15, L-2010 Luxembourg.

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International Bond Prices

(Continued from Page 8)

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 30	Sterling Drug Capital	10¾ '90 Apr		100½	10.70		10.82
$ 100	Sun Capital Corp	10	'90 Oct	101¾	9.53		9.84
$ 25	Sundstrand Finance In	8¾	'87 Jun	99¼	8.90	8.90	8.77
$ 125	Superior O/s Finance	14	'89 Jun	103	12.76		13.59
$ 100	Superior O/s Finance	11	'92 Nov	102	10.54		10.78
$ 15	Syntron O/s Capital	8	'87 Mar	99	9.05	9.72	8.08
y 20000	Syntex Inc	6⅛	'93 Jan	98¼	6.88		6.72
$ 150	Tenneco Corp	11½	'89 Jan	105¼	9.19		10.89
$ 100	Tenneco Corp	10	'89 Nov	102½	9.15		9.76
$ 150	Tenneco Corp	10⅝	'95 Jun	104⅝	9.95		10.17
$ 100	Tenneco Corp	11	'95 Nov	104⅝	10.17		10.49
$ 100	Tenneco Intl Mav	7¼	'87 May	98⅝	9.03		7.37
$ 30	Tenneco Intl	14⅝	'87 Aug	101¼	13.17		14.50
$ 30	Tenneco Intl Nov	7¼	'87 Nov	98⅝	8.49	8.83	7.87
$ 100	Tenneco Intl	17	'89 Oct	105¼	14.73		16.08
$ 300	Texaco Capital	11⅞	'87 Sep	98	14.26		13.14
$ 200	Texaco Capital	12⅛	'89 Aug	102	12.67		12.94
$ 150	Texaco Capital	9⅝	'90 Mar	89	13.46		10.96
$ 250	Texaco Capital	10	'90 Sep	88	13.65		11.36
$ 200	Texaco Capital	10½	'90 Sep	89	13.77		11.80
$ 250	Texaco Capital	11⅛	'95 May	90	13.02		12.36
$ 300	Texaco Capital	10	'95 Aug	84	12.99		11.90
$ 60	Texas Eastern Finance	15⅛	'87 Jun	102½	14.65		15.37
$ 150	Texas Instruments Int	11⅞	'91 Mar	106½	10.16		11.15
$ 30	Textron Intl	7¼	'87 Oct	98	9.06	9.61	7.91
$ 100	Time-Life O/s Finance	16⅛	'90 Jan	102½	9.94		16.49
$ 40	Trailer Train Finance	13¼	'92 Nov	107½	11.55	11.02	12.33
$ 75	Transamerica Financia	7	'86 Sep	98½	9.34		7.07
$ 30	Transamerica O/s Fina	8½	'86 Dec	99½	9.11	9.11	8.54
	Transco Intl	15¼	'87 Apr	101	14.12		15.10
$ 40	Transocean Gulf Oil	7½	'87 Jan	98⅝	9.02	9.03	7.59
$ 100	Trw Inc	9⅛	'93 Feb	100⅛	9.70		9.73
y 15000	Trw Inc	7	'94 Dec	101⅛	6.74		6.89
$ 20	Trw O/s Finance	8⅝	'86 Oct	100	8.62	8.62	8.75
$ 30	Uar O/s Finance	13½	'88 Oct	100¾	12.54	13.01	13.40
$ 75	Union Camp O/s Financ	11⅛	'89 Nov	106½	9.54		11.00
$ 150	Union Carbide O/s	14⅝	'89 Jan	102½	13.67		14.38
$ 30	Union Oil Intl Financ	7½	'87 Feb	98	9.79	9.79	7.65
$ 100	Union Pacific Corp	11½	'92 Apr	103½	10.68		11.11
$ 25	United Technologies	11¾	'87 Sep	102	10.99		11.52
$ 100	United Technologies	12¾	'89 Oct	102¼	11.36		12.84
y 25000	United Technologies	6⅝	'92 Jan	101¼	6.36		6.54
$ 150	United Technologies	11¾	'92 Jan	109	9.20		10.92
$ 100	United Technologies	10⅜	'95 Aug	104⅝	9.56		9.90
$ 20	Utah Intl Finance	8	'87 Mar	98	10.04	11.15	8.16
ecu 62	Walt Disney Productio	8⅝	'94 Feb	99¼	8.77	8.80	8.77
ecu 80	Walt Disney Productio	9⅛	'95 Mar	102⅝	8.73	8.66	8.91
y 10000	Walt Disney Productio	6⅝	'96 Feb	100	6.62		6.63
$ 150	Walt Disney Productio	12½	'87 Oct	105⅛	8.78		11.88
$ 75	Walt Disney Productio	12½	'89 Mar	103	11.27		12.14
$ 15	Ward Foods O/s Capita	5⅝	'88 Nov	78	16.45	17.02	7.37
$ 100	Warner-Lambert Intl	10⅛	'90 Feb	101	9.92		10.15
$ 100	Wells Fargo Co	13⅛	'91 Sep	118½	10.75		12.18
$ 100	Wells Fargo Co	12⅛	'91 Dec	101	12.35		12.50
$ 50	Weyerhaeuser Capital	10½	'90 May	101	10.17		10.40
$ 60	Weyerhaeuser Capital	11½	'90 Nov	103½	10.49		11.11
$ 150	Weyerhaeuser Co	12¼	'87 Oct	104½	9.11		11.72
$ 150	Xerox Credit Corp	16⅛	'89 Jun	105¼	8.47		16.17

FOREIGNTARGETED BONDS OF THE US TREASURY AND OF ITS AGENCIES

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 1000	Us Treasury	11⅛	'88 Sep	107½	8.83		10.58
$ 1000	Us Treasury	11	'90 Feb	108⅝	8.40		10.14
$ 1000	Us Treasury	9⅝	'90 Aug	105½	8.30		9.36
$ 200	Fed Home Loan Banks	11	'89 Dec	107	8.76		10.28
$ 200	Fed National Mort Ass	11½	'91 Dec	110⅝	9.10		10.42
y 50000	Fed National Mort Ass	6⅝	'92 Feb	102	6.46		6.74
y 25000	Student Loan Mark Ass	6⅝	'92 Jan	100⅝	6.44		6.57

DM STRAIGHT BONDS

AUSTRALIA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 100	Australia	7	'87 Feb	102	4.78	4.79	6.86
dm 200	Australia Pp	8¼	'87 Oct	102	6.86		8.09
dm 250	Australia	6	'88 Sep	101⅝	5.33		5.91
dm 250	Australia	5⅝	'89 Nov	100¼	5.66	5.62	5.74
dm 150	Australia Pp	6⅝	'90 Dec	102¼	5.81		6.32
dm 200	Australia	9⅜	'91 Feb	112¼	6.31		8.31
dm 300	Australia	9⅜	'91 Dec	114	6.41		8.22
dm 200	Australia	7⅝	'92 Nov	107¼	6.29		7.19
dm 200	Australia	6⅞	'93 Jan	104¼	6.09		6.59
dm 600	Australia	7¼	'96 Nov	105⅛	6.56		6.90
dm 50	Australian Ind Dev Co	6⅝	'87 Nov	101	6.09	5.83	6.68
dm 100	Hamersley Iron Fin	6⅝	'87 Jul	101	5.93	5.50	6.68
dm 100	Mount Isa Finance	7⅝	'90 Mar	103¼	6.82		7.42
dm 100	Mount Isa Finance	7¼	'92 Apr	105¼	6.68		7.36
dm 50	Papua New Guinea	6⅝	'88 Jul	102	5.80	5.30	6.62

AUSTRIA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 100	Austria	7¾	'86 May	101¼	1.40	1.09	7.65
dm 100	Austria	8½	'87 May	102¼	6.45	5.46	8.31
dm 100	Austria	7⅞	'89 Jul	105¼	5.84		7.36
dm 100	Austria Pp	7⅝	'90 Aug	102	7.19		7.48
dm 150	Austria	5⅝	'90 Nov	99¼	5.88	5.84	5.76
dm 100	Austria Pp	7½	'91 May	103½	6.67		7.25
dm 300	Austria	7	'92 Feb	104	6.17		6.73
dm 100	Austria	8⅛	'92 Jan	106¼	6.68		7.65
dm 150	Austria	8¼	'92 Oct	106	7.07	6.53	7.78
dm 100	Austria	8	'93 Jul	108¼	6.54		7.39
dm 200	Austria	7⅛	'94 Mar	107¼	6.36		7.08
dm 200	Asfinag	6⅝	'95 Nov	108⅛	6.67		6.72
dm 150	Austrian Control B Pp	11	'86 Oct	102¼	6.98		10.76
dm 150	Austrian Control B Pp	9⅝	'86 Dec	102½	5.24		9.42
dm 150	Austrian Control Bank	8	'87 Feb	102⅛	5.22		7.80
dm 150	Austrian Control B Pp	9	'87 May	102	7.20		8.82
dm 150	Austrian Control Bank	8⅛	'88 Nov	104½	6.60		8.13
dm 100	Austrian Control Bank	6½	'88 Dec	102½	5.41		6.33
dm 150	Austrian Control Bank	8⅝	'89 Sep	105¾	7.12		8.43
dm 100	Austrian Control Bank	7⅝	'89 Oct	104½	6.56		7.28
dm 100	Austrian Control B Pp	7⅝	'90 Feb	102½	6.73		7.40
dm 100	Austrian Control B Pp	7¼	'90 May	103	6.41		7.04
dm 150	Austrian Control Bank	7⅝	'91 Feb	105⅛	6.29		7.23
dm 150	Austrian Control B Pp	6⅝	'91 Feb	99¼	6.34		6.16
dm 150	Austrian Control Bank	10⅛	'91 Nov	108⅛	8.18		9.23
dm 150	Austrian Control Bank	9¼	'92 Apr	106⅝	7.82		8.67

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 150	Austrian Control Bank	8½	'92 Jul	105	7.23		7.86
dm 150	Austrian Control Bank	6⅝	'97 Aug	108⅝	6.63		6.49
dm 55	Austrian Electricity	7	'87 Feb	101	5.87	5.88	6.93
dm 150	Austrian Industry	7	'95 Jul	102½	6.63		6.83
dm 80	Donaukraftwerke Ag	6⅝	'88 Mar	103	6.21	5.51	6.48
dm 100	Donaukraftwerke Ag	8	'94 Jul	107¾	6.75		7.42
dm 100	Genossen Zentralbank	6	'87 Dec	100⅝	5.91	5.87	5.99
dm 80	Girozentrale Sparkassen	10⅝	'91 Jul	117⅝	6.79		9.17
dm 50	Kelag Kaernten Elektr	6⅝	'88 May	103	5.74	4.96	6.62
dm 150	Oest El & Wirtschaft	6½	'95 Oct	100	6.49		6.50
dm 50	Pyhrn Autobahn	6⅝	'89 Sep	100⅝	5.91	5.84	6.58
dm 70	Tauernautobahn Ag	5½	'93 Apr	98	5.85	6.38	5.61
dm 50	Tauernautobahn Ag	9⅝	'94 Mar	116⅛	7.14		8.49
dm 100	Vienna City	9⅝	'92 Aug	108¾	7.98	7.51	8.78
dm 100	Voest-Alpine	8⅝	'88 Oct	102⅛	7.69	7.05	8.51
dm 100	Voest-Alpine	6⅝	'89 Jun	100¼	6.65	6.57	6.73

BELGIUM

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 200	Belgium Pp	6⅝	'92 Nov	101⅛	6.54		6.76
dm 100	Belgelectric Finance	10½	'89 Jun	106⅝	8.13		9.86
dm 100	Belgelectric Finance	11	'91 Oct	115	7.60		9.57

CANADA

[illegible]

CHINA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 150	Bank Of China	7	'92 Jun	100¼	6.89		6.97
dm 150	China Intl Trust Inv	6⅝	'91 Oct	100⅛	6.59		6.63

DENMARK

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 100	Denmark	7⅝	'87 May	102¼	5.39		7.09
dm 100	Denmark	6⅝	'87 Dec	101⅛	5.67	5.37	6.63
dm 100	Denmark	6	'88 Feb	101	5.44		5.94
dm 100	Denmark	10	'88 Mar	108	5.71		9.26
dm 100	Denmark Pp	9⅝	'90 May	105½	7.09		9.08
dm 150	Superfos	7	'95 Oct	97⅝	7.38	7.43	7.19

[illegible]

FINLAND

[illegible]

Further country sections on this page (France, Germany, Hungary, Iceland, India, Ireland, Italy, Japan, Luxembourg, Mexico, Miscellaneous, Netherlands, New Zealand, Norway, Portugal, South Africa, South America, Spain, Supranational, Sweden, Switzerland, United Kingdom, U.S.A.): [illegible]

NASDAQ National List

OTC consolidated trading for week ended Friday.

	Sales in 100s	High	Low	Last	Net Ch'ge
A					
AA Imp	3	4¼	4¼	4¼	
AC Tel	889	6	4⅞	5½	— ½
AEP	1466	15¼	14¼	14¾	+ ½
AIFS	1831	12¾	11½	12½	+1

[illegible]

CONVERTIBLE BONDS

[illegible]

HIGHEST CURRENT YIELDS

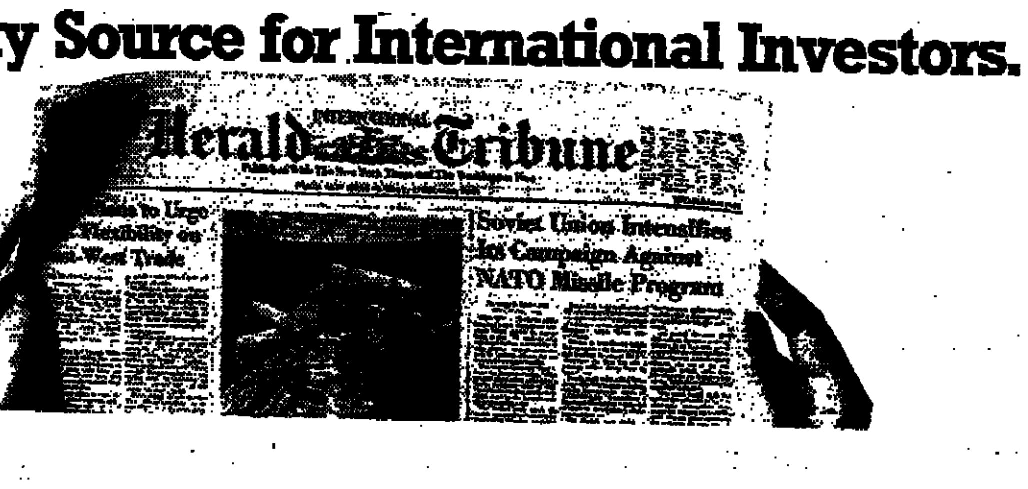
On convertibles having a conversion premium of less than 10%.

[illegible]

Explanation of Symbols

CN$	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NMD	Norwegian Kroner - DM		

The Daily Source for International Investors.



صحكنا من الاجل

New Eurobond Issues

Compiled by Nicole Baruch from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
National Bank of Canada	$150	1998	⅛	100	99.65	Over 6-month Libor. Callable at par after 1991. Fees 0.60%. Denominations $25,000.
Oil & Natural Gas Commission of India	$125	1996	3/16	100	—	Over 6-month Libor. Callable at par in 1989 and redeemable at par in 1991 and 1993. Fees 0.45%. Denominations $10,000.
National & Provincial Building Society	£200	1996	⅛	100	98.80	Over 3-month Libor. Callable at par after 1991. Fees 0.20%. Denominations £100,000.
Friesch-Groningsche Hypotheekbank	DF75	1989	3/16	100	—	Over 6-month Amsterdam interbank rate. Noncallable. Floating Rate Serial Euroguilder notes. Divided into three equal parts of three, four, five year paper.
FIXED-COUPON						
Amoco	$200	2016	9¾	100	97.50	Callable at 105 after 1996. Fees 2½%.
Atlantic Richfield	$200	1993	9⅛	99¾	—	Noncallable. Fees 1⅞%.
Avon Capital Corp.	$100	1989	8¾	100⅛	98.75	Noncallable. Also 100,000 warrants, priced at $15 each, exercisable into a 9% noncallable bond of 1993. Latter bond can be bought with warrants plus host bond during the first seven years, then with warrants and cash. Fees 1⅞%.
Banque Indosuez	$100	1991	8½	100¼	—	Noncallable. Fees 1⅞%.
Banque Nationale de Paris	$125	1993	8¾	99⅝	98.13	Callable at par after 1990. Fees 1⅞%.
BP Capital	$75	1994	9⅛	100½	—	Noncallable. $25 million reserved as a one-year tap. Fees 2%.
De Bartolo Capital Corp.	$100	1996	9¼	100¾	98.80	Callable at 101½ after 1993. Guaranteed by Mitsubishi Trust. Fees 2%.
Fletcher Challenge	$100	1993	9¾	100	99.62	Noncallable. Fees 1⅞%.
Nippon Credit Bank of Curacao Finance	$150	1991	8½	100¼	98.37	Noncallable. Fees 1⅞%.
Nippon Steel	$150	1993	9	101½	99.75	Noncallable. Fees 1⅞%.
Philips Gloeilampen.	$100	1996	8¾	100	98.25	Noncallable. Fees 2%.
South Australia Finance Authority	$100	1993	8¾	100	—	Noncallable. Fees 1⅞%.
Sweden	$200	1996	8¾	100	98.40	Noncallable. Fees 2%.
World Bank	$300	2016	9¼	100	98.75	Noncallable. Fees 2½%.
Deutsche Bank Finance	£50	1991	10⅝	100¼	99.75	Noncallable. Fees 1⅞%.
General Motors Acceptance Corp. Finance	£75	1991	11	100⅝	99.00	Noncallable. Increased from £50 million. Fees 1⅞%.
MEPC PLC	£50	1993	11¼	100	97.50	Noncallable. Fees 2%.
Philips Finance	£50	1993	10⅝	100	98.12	Noncallable. Fees 1⅞%.
Australia	DM500	1996	6¼	100¼	—	Callable at 100½ in 1994 and 100¼ in 1995. Fees 2½%.
Australia	DM250	1990	5¾	100¼	—	Noncallable private placement. Fees 1%.
Chrysler Financial Corp.	DM200	1996	6¾	100¼	—	Noncallable. Fees 2½%.
World Bank	DM250	1991	6	100	—	Noncallable. Part of five-currency package privately placed with banks around the world.
Inco	ECU70	1994	9½	100⅝	98.13	Noncallable. Fees 1⅞%.
Trizec Corp.	ECU56	1995	9¼	100	98.00	Noncallable. Ranked as secured debentures. Fees 2%.
Avco	C$60	1991	10¾	100¼	98.62	Noncallable. Fees 1⅞%.
Canadian National Railways	C$100	1994	9⅝	100	98.20	Noncallable. Fees 2%.
General Motors Acceptance Corp. Canada	C$100	1991	10¼	100¼	99.00	Noncallable. Fees 1⅞%.
TD Mortgage	C$50	1991	10	100¼	98.40	Noncallable. Fees 1⅞%.
Canberra Capital Market	Aus$40	1991	14½	100⅝	96.88	Noncallable. Fees 2%.
Denmark	Y10,000	1996	6⅝	100½	98.25	Noncallable. Fees 2%.
Kawasaki Steel Corp.	Y10,000	1996	7½	101	—	Noncallable. Redeemable at maturity at 181.20 yen per dollar for a total of $413.91 million. Fees 2%.
EQUITY-LINKED						
Aoki	$100	1991	open	100	108.75	Coupon indicated at 4½%. Noncallable. Each $5,000 bond with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to set Feb. 25.
Centrust Savings Bank	$35	2001	7	100	100.75	Redeemable at 105% after 1991 and callable at 104 after 1987. Convertible into shares of Midland-Ross Corp. at $22.865 per share, a 21.139% premium. Fees 2½%.
Fairmont Financial	$20	2001	open	100	—	Coupon indicated at 7 to 7¼%. Redeemable in 1991 to yield 9½ to 9¾%, and callable at 104 in 1991. Convertible at an expected 16 to 20% premium. Fees 2%. Terms to be set.
Générale Occidentale	$80	1993	open	100	—	Coupon indicated at 6½ to 6¾%. Callable at par in 1987. Each $1,000 bond with one 5-year warrant, exercisable into company's shares at an expected 10% premium. Warrants may be exercised with cash or with bond. Fees 2½%. Terms to be set.
Glenfed	$75	2001	7¾	100	—	Callable at par after 1989. Convertible into company's shares at $28¼, a 19.60% premium. Fees 2½%.
Hawley Group	$80	2001	8⅝	100	100⅝	Callable at par in 1993 and redeemable in 1993 to yield 10%. Convertible into company's shares at $135, a 13% premium. Fees 3½%.

Oil-Price Fall Lowers Rates On Treasury Bonds, Bills

By H.J. Maidenberg
New York Times Service

NEW YORK — The erosion in oil prices has sent Treasury bond prices shooting upward and pushed yields to their lowest levels since early 1979.

Treasury bill discount rates also fell on Friday, despite action by the

U.S. CREDIT MARKETS

Federal Reserve to drain reserve from the banking system.

At the close, the bellwether Treasury long-term bond was offered at a price to yield 8.70 percent, down from 8.86 percent on Thursday and 8.93 percent a week earlier. But the discount rate on 90-day Treasury bills fell 13 basis points, to 6.98 percent.

The advance in Treasury bonds buoyed prices of top-notch tax-exempt bonds by as much as ⅜ point.

The strength of the corporate debt market encouraged many companies to offer a large volume of fixed-rate securities. In all, declining borrowing costs brought out $2.5 billion of new corporate debt offered last week.

In the Treasury debt market, buyers continued to be mesmerized by falling oil prices and paid no attention to a warning by Paul A. Volcker, chairman of the Federal Reserve Board, that the decline in interest rates might be near an end, said Samuel Thorne, managing director of Scudder, Stevens & Clark.

Much of the buying, he said, "was speculative and influenced by the strength of the Treasury bond futures market."

Treasury bond futures for March closed at 90.06, up 1.26 on the day.

Allan R. Leslie, economist at Discount Corp. of New York, said that one indication of the market's preoccupation with falling oil prices was the narrowing of the yields between Treasury 90-day bills and 30-year bonds to only 148 basis points.

At the close of the secondary market for Treasury debt issues, the discount rate of 90-day bills fell 13 basis points, to 6.98 percent; the six-month bills lost 9 basis points, to 7.08 percent, and the one-year bills declined 8 basis points, to 7.08 percent.

Among the intermediate maturities, the 8-percent notes of 1988 rose 6/32, to 100 7/32, for a yield of 7.84 percent; the 8s of 1989 gained 9/32, to 100 1/32, to yield 7.99 percent, and the 9⅛s of 1991 were up 12/32, to 103 21/32, to yield 8.22 percent.

At the longer-term end, the 8⅞s of 1996 jumped 1 5/32, to 102 25/32, for a yield of 8.46 percent; the 9⅜s of 2006 climbed 125/32, to 105 5/32, and now yield 8.82 percent, and the bellwether long-term bond, the 9¼s of 2016, advanced 1 24/32, to 105 28/32, and yield 8.70 percent, compared with 8.86 percent Thursday and 8.93 a week ago.

U.S. Consumer Rates
For Week Ended Feb. 21

Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	7.44 %
Money Market Funds Donoghue's 7-Day Average	7.37 %
Bank Money Market Accounts Bank Rate Monitor Index	6.70 %
Home Mortgage FHLB average	11.48 %

Oil Slump May Hurt East-Bloc Borrowing

By Carl Gewirtz
International Herald Tribune

PARIS — Bankers are beginning to take a new critical look at the credit standing of East European borrowers who, with the exception of Poland, re-emerged last year as big borrowers on the international credit market.

According to data compiled by the Organization for Economic Cooperation and Development, Eastern Europe borrowed $5.24 billion last year — a jump of 55 percent over the previous year. The increase signaled the area's re-establishment as a good credit risk after the damage wreaked early in the decade by Poland's debt rescheduling and later by the Latin debt crisis, which put into question loans to virtually all countries outside the Western industrial world.

The current reassessment is fueled by the collapse in the price of oil and the impact that will have on the Soviet Union, a major exporter of energy, and on its client states, whose trade will be affected by the Soviet difficulties.

Energy exports are the Soviet Union's leading source of income of Western currencies, accounting for 80 percent of Russian trade with the 24 industrialized nations of the OECD. Experts estimate that the decline in the price of oil and natural gas — whose price is tied to oil — will shave between $3 billion and $4 billion off the value of Soviet energy exports this year.

In addition, the Soviet Union stands to lose substantial purchasing power for imports. This is because most of its energy exports are billed in dollars, while the bulk of its imports come from Western Europe, whose currencies are appreciating against the dollar. Analysts estimate that the dollar's decline could effectively trim another $3 billion to $4 billion from Russia's hard-currency revenues.

Talks with different analysts show there is wide disagreement on the number to be put on the shortfall. But the comments are unanimous in estimating that, whatever the absolute number, it will represent a substantial setback for the Soviet Union.

Analysts still are looking for clues to how the Soviet Union will

INTERNATIONAL CREDIT

respond. Will it simply cut its need for hard currency by slashing imports from the West? Will it step up other exports, such as timber, gold and other raw materials? Will it increase its borrowing from Western banks?

But the major concern of the analysts is not the impact on the Soviet Union, which has a range of policy options, but rather the chain reaction that Russia's constraints are likely to have on the rest of Eastern Europe.

"Even before the price of oil fell," said one expert who asked not be named, "the Russians were tightening up, feeling that the East Europeans were exploiting the Soviet Union by exchanging machinery that could not be sold on Western markets for Russian raw materials.

"As the Soviet Union tries to extract more from the satellite countries, particularly goods that it can no longer afford to buy in the West, the East Europeans will be left with fewer products to export to the West — leaving them with a shortfall in hard-currency earnings," he said.

This is what is causing bankers to worry. The satellite countries have fewer options than the Russians to handle such a setback, their reserves are smaller and their foreign-currency exports are smaller. And, their existing debt to Western banks is bigger in relation to these key measures than is that of the Soviet Union.

As a result, bankers report, there is a new undertone of caution about lending to Eastern Europe.

Meanwhile, the banks continue to scramble to lend money to customers in the industrialized countries. The latest example is a $500-million facility put together for International Business Machines. It has named five dealers — Salomon Bros., Morgan Guaranty, Bankers Trust, Credit Suisse First Boston and Swiss Bank Corp. — to place commercial paper outside the United States.

The five also have put together a five-year revolving credit which will serve as a backstop to the CP program at a cost which comes close to the lowest terms yet seen. IBM will pay an annual facility fee of five basis points, which is 0.05 percent. Nestlé has paid less than that — 3.125 basis points for the first year and 5 basis points for the final two years — but the maturity was shorter.

If IBM draws on this credit, it will pay a margin of 5 basis points over the London interbank offered rate. If it draws more than half the amount from the banks it will pay a utilization fee of 6¼ basis points. Nestlé's drawings are at Libor, but the utilization fees step up faster and higher than IBM's.

British Petroleum has appointed County Bank, Morgan Guaranty, CSFB, Citicorp and Swiss Bank Corp. to market up to $500 million of commercial paper. Sales of its paper, given the highest ratings by Standard & Poor's and Moody's, are set to begin Monday. BP arranged last year a $6.5 billion standby facility, of which banks are formally committed for $1.5 billion. That committed portion backstops the company's commercial paper program in the New York market, where it has $400 million outstanding.

New Zealand Synthetic Fuels, owned 75 percent by the government and 25 percent by Mobil, plans to issue up to $100 million in Euronotes. Banks have been invited to underwrite a $70-million back-up credit for five years on which they will earn an annual facility fee of 10 basis points. However, the borrower can tag as much as half the amount as unavailable and the fee on that is only 6¼ basis points. To draw from the banks, the company will pay a maximum fee of 10 basis points over Libor.

Queensland Coal Trust is tapping the market for $45 million for a maturity of 12 years and two months. It can issue floating-rate notes or Euronotes on which the maximum interest rate would be 10 basis points over Libor. Holders of the FRNs can request redemption on any interest-payment date and holders of the FRNs or the Euronotes can put the notes back to the underwriters at par if the company defaults.

For providing this put guarantee, underwriters led by BA Asia Ltd. are paid a fee of 30 basis points for the first two years, 40 basis points in each of the next four years, 50 basis points in the following four years and 60 basis points in the final two years. In addition, there is a commitment fee of 25 basis points.

ENEL, the Italian state electricity utility, last week offered $230 million in Euronotes through the conduit of Bankers Trust GmbH. ENEL issued $71 million in one-month paper and the balance in three-month notes.

Lorenzo Reportedly Offers to Buy Eastern Airlines

By Richard Witkin
New York Times Service

NEW YORK — Eastern Airlines, facing a Wednesday deadline for a pilots' strike, told its three unions over the weekend that it had received a purchase offer, a union spokesman said.

According to sources close to the negotiations, the airline said that if the labor differences were not settled Sunday, it was prepared to accept the purchase offer or go into reorganization under the bankruptcy code.

The union spokesman, Don Skiados, said that the pilots had been unable to identify the source of the last-minute purchase offer. But sources close to the negotiations said it came Friday from Frank Lorenzo, chairman of Texas Air Corp., which owns Continental Airlines and New York Air.

Members of Eastern's chapter of the Air Line Pilots Association called an emergency meeting Sunday in Miami, the airline's headquarters, to consider what to do about the surprise ultimatum to the 4,600 pilots.

The developments accelerated by three days a showdown in which the existence of Eastern, the third-largest U.S. airline, is at stake.

Mr. Lorenzo and the pilots' union have been on unfriendly terms since late 1983, when Continental went into reorganization under Chapter 11 of the bankruptcy code and slashed the wages of pilots and other employees. The pilots went on strike, but Continental was able to keep operating at a reduced level and has since returned to profitability with nonunion pilots.

The deadline for a pilots' strike at Eastern was fixed when negotiations deadlocked in January.

The strike deadline comes at the end of a 30-day cooling-off period, during which the union is prohibited from striking under U.S. labor legislation.

Eastern's lenders had given the airline until Friday to work out its labor difficulties as the price of gaining time on repaying a $2.5-billion debt.

The airline's chairman, Frank Borman, says it can remain afloat only through making big, long-term reductions in pilots' pay and benefits.

The pilots argue that they have repeatedly granted wage and other concessions to Eastern. They have also insisted on a change in top management.

The pilots learned of the purchase offer at a meeting Saturday with management and two other Eastern unions, the International Association of Machinists, representing the mechanics, and the Transport Workers Union, representing flight attendants.

The airline, meanwhile, put into effect a new flight attendants' contract with inferior terms and furloughed 1,010 of its 7,000 members of that union.

■ Delta Summons Mediator

Delta Air Lines said it had reached an impasse after eight months of negotiations with its 4,000-member pilot group and had requested a federal mediator, Reuters reported Friday from Atlanta.

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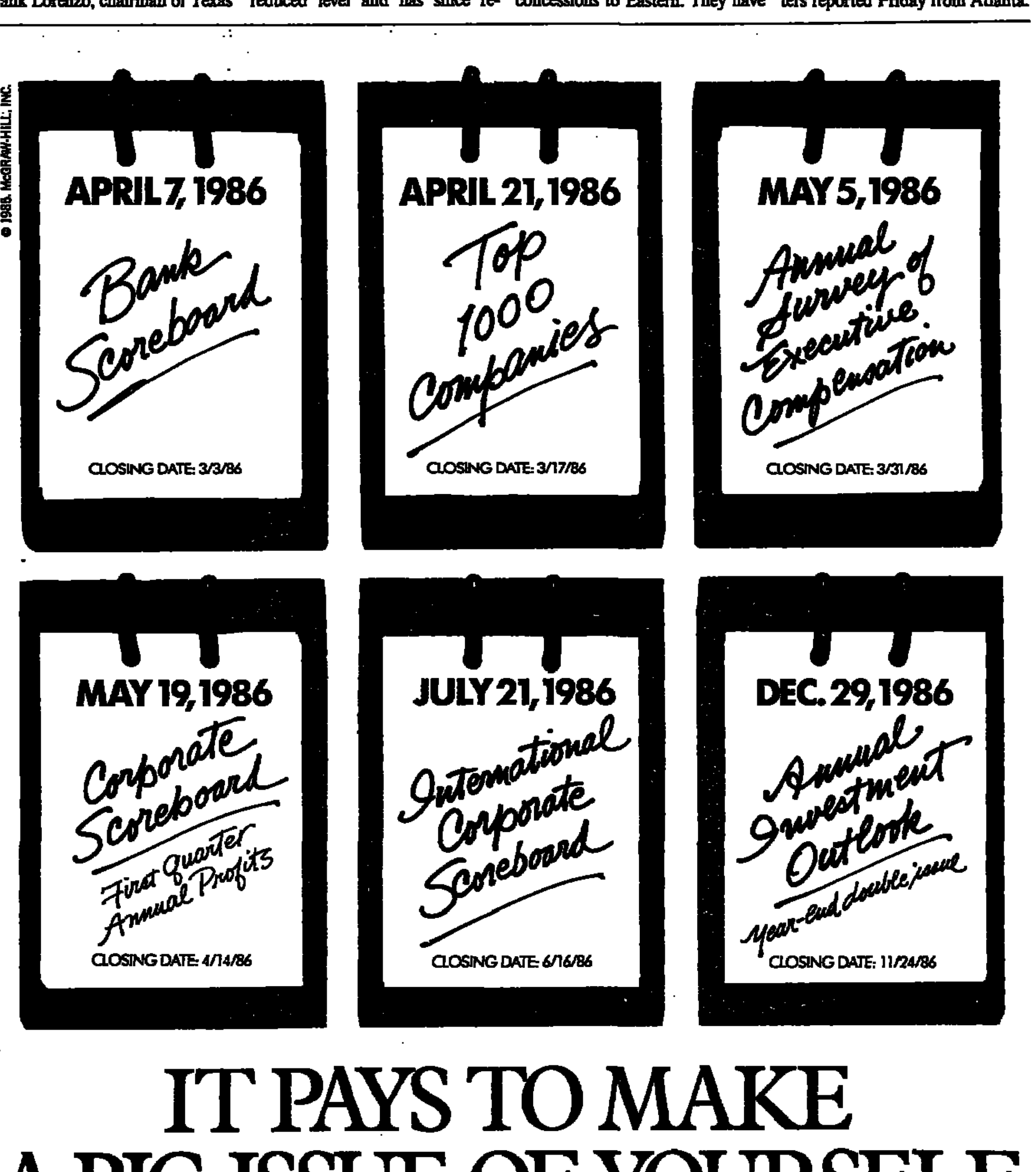

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Taiwan, Toyota Agree on Venture

Reuters

TAIPEI — Taiwan has approved an investment application by Toyota Motor Corp. of Japan to produce as many as 40,000 cars a year by 1991, according to the vice economic minister, Li Mo.

Mr. Li said Saturday that Toyota and three Taiwanese companies, including Kuo Zui Motors Co., would invest a total of $125 million to establish a joint venture plant.

Toyota would hold 22 percent of the venture, its Hines Corp. subsidiary, 24 percent. Mitsui & Co. 3 percent, and the remainder would be shared by the Taiwanese firms.

Inflation, GDP Increase in Spain

Reuters

MADRID — Spain's gross domestic product rose 2.1 percent in 1985, compared with 2.3 percent in 1984, according to National Statistic Institute figures. The target for last year was 1.9 percent.

Meanwhile, inflation rose to 2.8 percent in January, compared with 1.8 percent in January of 1985, the institute said. Inflation for all of 1985 was 8.1 percent.

The GDP report said that private consumption grew 1.5 percent and private sector capital investment rose 5.5 percent last year, both surpassing expectations. GDP measures the total value of a nation's goods and services but excludes income from foreign investments.

The government had forecast 1-percent growth for consumer demand and 5-percent for capital spending in 1985.

In 1984, private consumption fell 0.8 percent and private capital investment plunged 3.2 percent. But the 1985 increases in those area was in line with government policy of shifting growth emphasis from exports to the domestic sector.

Exports rose 3.8 percent last year, compared with an all-time record of 15.4 percent in 1984, the statistics showed. Finance Ministry officials attributed this decline to saturation in major Spanish export markets and a stronger peseta.

The government has targeted 1986's GDP growth at 2.5 percent, with a 1.6-percent rise in domestic demand, 6 percent in capital investment and 5 percent in exports.

Spain's inflation rate last month was slightly less Finance Minister Carlos Solchaga's expectations. He said Feb. 9 that he was looking for an increase of 3 percent in January, due to the introduction of value-added tax.

He said the impact of the VAT, introduced when Spain joined the European Community on Jan. 1, would add two points to the normal January inflation rate of about 1 percent.

Mr. Solchaga said that rate would remain higher than normal in February.

Although the government has set the targeted inflation rate at 8 percent for this year, a Finance Ministry official said that inflation could have been held at 6 percent if not for the VAT.

Eurodollar Demand High Despite Currency's Fall

(Continued from Page 7)

ing a coupon of 9¼ percent. This was 4 basis points under the yield on its existing 9⅝s and 34 basis points over comparable Treasury yields. The bonds were well received and ended the week at a discount of 1¼ points, well inside the total commissions of 2½ percent. However, given the very sharp rally in the New York bond market, the World Bank issue ended the week trading at 44 basis points over Treasury bonds.

Amoco, which sold $200 million of 30-year bonds, fared less well with a coupon of 9¾, ending the week at a discount of 2½ points. In part this is the result of wariness about U.S. corporate issues, even though the issue is rated triple-A by Standard & Poor's. But most of the problem had to do with the fact that this paper is callable after 10 years at a premium price of 105.

The World Bank bonds are not callable. That feature is important to investors who believe that rates are headed lower. If that happens, the price on high-coupon 30-year bonds should soar. But if the paper is callable, the increase in price is likely to be much smaller.

Even if the Amoco bond is called, however, investors would still earn more holding it than the $100-million, 10-year bond issued by Philips, the big Dutch consumer products company, or the $200-million, 10-year paper issued by Sweden. Both carry a coupon of 8¾ percent.

These terms were initially regarded as very stingy. But a powerful rally in the New York bond market on Friday made the terms look better.

Belgian and Luxembourg officials spent last week haggling about the previous week's issue by Banque Nationale de Paris in Belgian francs. This was only the second Euro-Belgian franc ever issued and the Belgians were upset that the tax-free bonds were sold in small denominations likely to appeal to small investors who might cheat on reporting the income, which is taxable at home.

The 300 million francs of eight-year bearer bonds carrying a coupon of 9 percent were issued by BNP's Luxembourg unit in denominations of 200,000 francs, or about $10,000.

Belgium's own Eurobonds are only sold in registered form and in large amounts to avoid the possibility that its own citizens buy tax-free Belgian paper.

With Belgium expressing its regret about the BNP transaction, Luxembourg has now tightened the rules regarding such private placements. Issuers of foreign currency bonds will now be required to have the approval of the monetary authority whose currency is used and denominations will be restricted to minimum amounts of one million equivalent in Luxembourg francs.

Kredietlux Indices Feb. 21

(Base 100 May 1, 1977)

Industrials US $ L.T.	104.868
Int'l Institutions US $ L.T.	112.279
US $ medium term	106.873
Canadian $ medium term	104.145
ECU medium term	104.989
UC ?	94.252
DM	101.872
Guilders	102.624
FF short term	103.427
F Lux	104.726
Int'l Inst. F Lux medium term	101.701
F Lux medium term	102.685
Int'l Inst. Yen long term	104.276
ECU short term	103.382
ECU long term	103.435

Treasury Bills
Figures as of close of trading Friday

Hi	Lo	Mat	Bid	Ask	Yld	Chg
7.45	6.38	Feb 27 86	6.50	6.38	6.47	— .29
7.44	6.79	Mar 06 86	6.92	6.84	6.95	— .08
7.43	6.79	Mar 13 86	6.91	6.85	6.97	— .09
9.25	6.89	Mar 20 86	6.91	6.85	6.98	— .07
7.34	6.87	Mar 27 86	6.77	6.71	6.84	— .17
7.45	6.94	Apr 03 86	6.98	6.92	7.07	— .10
7.46	6.92	Apr 10 86	6.96	6.90	7.06	— .09
8.45	6.93	Apr 17 86	7.04	7.00	7.17	— .07
7.45	6.95	Apr 24 86	7.05	7.01	7.19	— .06
7.39	6.92	May 01 86	7.07	7.03	7.22	— .05
7.38	6.98	May 08 86	7.07	7.03	7.23	— .06
7.84	6.94	May 15 86	7.07	7.03	7.24	— .06
7.34	6.98	May 22 86	6.98	6.94	7.16	— .13
7.33	6.99	May 29 86	7.01	6.97	7.20	— .08
7.32	7.02	Jun 05 86	6.98	6.96	7.20	— .13
7.63	6.93	Jun 12 86	7.02	7.00	7.25	— .06
7.31	7.01	Jun 19 86	7.04	6.98	7.24	— .07
7.26	6.99	Jun 26 86	7.00	6.96	7.23	— .01
7.31	7.07	Jul 03 86	7.08	7.06	7.34	— .08
7.44	7.03	Jul 10 86	7.08	7.06	7.35	— .10
7.28	7.08	Jul 17 86	7.10	7.06	7.36	— .08
7.27	7.07	Jul 24 86	7.10	7.06	7.37	— .09
7.26	7.04	Jul 31 86	7.08	7.05	7.37	— .11
7.47	7.04	Aug 07 86	7.10	7.08	7.42	— .06
7.17	7.17	Aug 21 86	7.06	7.04	7.39	— .11
7.17	7.15	Aug 14 86	7.10	7.06	7.40	— .07
7.44	7.02	Sep 04 86	7.08	7.04	7.40	— .07
7.52	7.05	Oct 02 86	7.10	7.08	7.46	— .09
7.51	7.03	Oct 30 86	7.10	7.08	7.47	— .09
7.41	7.09	Nov 28 86	7.10	7.06	7.47	— .10
7.40	7.05	Dec 26 86	7.09	7.07	7.51	— .09
7.27	7.05	Jan 22 87	7.10	7.08	7.55	— .08
7.16	7.06	Feb 19 87	7.06	7.04	7.54	— .10

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

			Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&M Fd			567	10½	10⅜	10⅜	
ABS	.48	2.6	170	16	15	15¼	+ ½
ADC TI			413	25	24¼	24½	— ½
AEC	.32	2.4	127	13⅝	11	13⅛	+2⅛
AEL			532	15¼	14⅛	14⅞	
AFG			1647	30½	30	30⅜	+ ⅜
ALC Cm			1138	9⅝	9¼	9¼	— ½
ARC Int			694	4⅞	4⅝	4⅞	+ ⅛
ASK			3218	14½	13¾	14⅛	— ⅛
AST			3910	26⅜	25	26¼	+1
AT&E			1182	16	14¼	14⅞	—1¼
ATE			605	4⅝	4½	4½	— ⅛
AamRt			577	18	16⅝	17¼	+ ¾
Abrams	.24	4.4	3	5½	5½	5½	
AcaJee			2298	6⅝	6	6¼	— ½
Acadin	.05r	2.4	992	2½	1⅞	2⅛	+ ⅛
Acetrn	†		829	14¼	13⅝	14	— ½
AcuRay	.24	.9	3204	26½	25	25⅝	+ ⅜
Acsto	.07r	.4	246	18⅝	18	18⅛	— ½
ACMAT			68	21⅜	20¼	21⅛	+1¼
Actvsn			3209	1⅞	1⅝	1¾	— ⅛
Actmd s			340	28½	27½	27¾	+ ¼
AdacLb			2451	1¼	1⅛	1⅛	+ ⅛
Adage			574	4½	4⅛	4⅛	+ ⅛
AdiSnW	.80	2.0	789	40	25⅝	40	+4¼
Adia	.12	.5	119	23¾	23	23½	
AdvCir			3961	11¼	9½	10⅝	+1⅛
AdCat			385	5¼	4⅝	4⅝	— ⅜
AdvGen			481	5⅜	5⅛	5⅜	— ⅛
AdvSem			2328	14¼	11¼	12⅝	+1½
AdvTel			1189	9½	8⅜	8¾	— ⅜
Aequtrn			1034	4⅞	4⅝	4¾	+ ⅛
Aeson	.36e	.9	262	39½	38½	39⅛	— ⅜
AerSysl			1012	2⅞	2⅝	2⅝	+ ⅛
AflBcp	1.00	6.3	27	16½	15⅞	15⅞	+ ¼
AflBsh	.80	5.2	945	15½	15¼	15¼	
AgcyR s	†		191	28½	28	28½	
Agnico g	.15		1056	16⅞	15⅞	16⅛	+ ⅜
AirCru s			822	7¾	7⅛	7⅝	+ ⅛
AirMd	.10e	1.2	1418	8⅝	7⅝	8½	
AirWisc			4126	13⅝	13	13⅛	+ ⅛
AlaFdl			205	20	19½	19⅞	+ ⅛
AlskBC	.44e	7.8	532	6½	5	6¼	+1⅛
AlskMI	.25t	1.9	749	13½	13¼	13⅜	+ ⅛
Alaten	2.20	5.7	339	38½	37	38½	+ ½
AlcoHlt			1740	21⅛	20⅛	20⅝	— ½
AlexB	1.80	3.6	1108	50	49⅝	49⅝	+ ¼
Alfin s			10388	48	31⅞	35⅜	
Algorex			358	7¼	6⅞	7⅛	+ ⅛
Allcoln	.90	1.0	54	93	88	88	—6
AlegW	.20e	.9	1145	22	21½	21½	—1
AllegBv	.40	1.6	18719	26⅜	25¼	25½	—1
AlnOr s	.24a	.6	27	39	37½	37½	
AlldBn	.84	5.4	9564	16⅛	15⅛	15⅝	— ⅛
AlldCap	1.00a	3.8	104	26⅛	25⅝	26	+ ¼
AlldRsh			753	5⅞	5⅝	5⅝	— ⅛
AllyGar	.15e	1.6	456	9½	8¾	9⅛	+ ⅛
AlphMic			738	6⅛	5⅞	6⅛	+ ⅛
AlpnGp			243	5⅛	5	5	— ⅛
Altrncr			672	4⅞	4¼	4¼	
Altos			4660	16⅞	15⅝	16½	+1⅛
Altron			91	11⅛	10⅝	10⅝	— ¼
Amcast	.44	2.9	1964	15½	15	15¼	
Amcolo			626	7½	6⅞	7½	
AFFd	3.49e	18.0	545	19⅛	18⅝	19⅛	+ ⅜
AWAirl			6150	12½	11¾	12⅛	
AmAdv	†		1886	1½	1	1¼	— ⅛
ABusp			305	7¾	6⅞	7	— ⅛
AmBkCl	1.00a	3.1	2	33	32	32	—2
ABnkr	.50	3.3	2395	15¼	14⅝	15	+ ⅛
ABrk e s			1201	7⅝	6¾	6⅞	— ½
AmCarr			971	14¼	13⅝	13⅝	— ⅛
AmCity			534	22½	20¾	22	+ ¾
ACentl			895	11⅞	11¼	11½	— ⅛
AmEcol			623	40½	37	40¼	+3¼
AExpl			518	3	2⅝	2¾	— ⅛
AFdSL	.60	2.7	770	22½	20⅞	22	+1½
AFlltrn	1.40	4.6	71	32	30½	30½	—1
AmFrst	†		242	7⅛	6⅞	7	
AFletc s	.80	2.2	1940	36¼	35⅞	36	+ ¼
AFurn	.28	2.2	197	12⅝	12¼	12⅝	+ ⅛
AGreet	.66	1.8	9208	36	32⅞	35⅞	+3
AmInLf	.40	3.5	3059	11⅝	10⅞	11⅛	+ ⅜
AIndF	1.12	4.7	100	24	23½	24	+ ½
AInsMt	1.33e	7.0	337	19⅛	18⅝	19⅛	+ ½
AIntegs			2372	24½	22⅝	24⅛	+1⅜
AInvLf	.20b	3.0	744	6⅞	6⅛	6⅝	+ ⅜
ALand	†		159	6⅞	5⅞	6	— ⅜
ALnd wt			13	1⅞	⅞	1⅞	+ ⅞
AmList			38	12¾	12½	12⅝	+ ⅛
AmLck	.21e	1.9	146	11⅝	10¼	10⅝	
AMagnt			415	6	5½	5⅝	+ ⅛
AMS s			551	28¾	25¼	28	+2½
AMdSv s			463	15	14½	15	+ ¼
AMidl			1339	⅞	¾	⅞	
ANtHd	1.24	3.2	3	38½	38½	38½	
ANtIns	1.20	3.4	2163	35⅜	33⅝	35	+1⅛
APhyG			2012	4⅛	3⅞	4⅛	+ ⅛
AmPlan			68	8½	8	8	
AmRest			33	2⅜	2⅜	2⅜	+ ⅛
ASavNY			2530	25⅛	23	23⅞	— ⅛
ASavWA			1629	18½	16⅝	17¼	— ½
AmSec	1.02	2.9	380	35⅜	35	35	— ½
AmSlt s			1812	9⅝	8½	9	— ⅜
ASolar			709	1⅜	1⅛	1⅛	— ⅛
ASurg			1327	⅜	¼	⅜	
ATechC			896	8⅞	8⅛	8⅝	+ ¼
AWstCp	†		662	12⅛	11	11⅛	— ½
Amrtr s	1.60	3.8	2265	42⅝	39⅝	42¼	+2⅛
Amrwst			1399	26½	22¼	22½	
Amgen			1280	13⅝	12½	13	— ⅛
Amistar			214	9½	9	9	
AmskB	1.00	2.3	1481	42⅝	40¾	42⅝	+2⅝
Amosk	1.20a	2.2	108	54	50½	54	+3
Ampad	.40	2.8	808	21	20	20	—1
Anadite			145	7	6⅝	7	+ ¼
Anlogic			2087	14⅞	14⅛	14½	— ½
AnalyTc			1186	10⅞	9¾	10¼	— ⅜
Analyt			212	5⅞	5⅜	5½	— ½
Anaren			2827	11½	11⅛	11⅛	— ⅛
AndrGr			400	11	8½	11	+2¼
Andovr			442	8¼	7½	8	+ ½
Andrew			1449	21	20	20¼	— ¾
Andros			373	9	8⅞	8⅞	+ ⅛
Animed s			3070	7⅛	5⅞	6	—1½
Anitec	.10e	.4	1336	23⅞	22⅛	23⅛	
Apogee	.14	1.0	780	14⅛	13½	13¾	— ⅛
ApolloC			44857	18⅛	16⅛	17	+ ¾
AppIBk			4519	23½	21⅞	22	+ ¼
AppleC			37267	25⅜	23⅛	25¼	+1½
AplBio s			2104	31	29⅛	31	+ ¾
ApldCm			1139	17	16½	17	+ ¼
AplDt			284	4⅛	4	4⅛	— ⅛
AplMt			2140	28¼	27½	27⅞	+ ⅜
AplSlr			80	9⅛	9	9	
ArabSh			5	2⅛	2⅛	2⅛	—1⅛
Archive			1752	9⅛	8⅞	9	+ ⅛
ArgoSy			468	20⅛	19½	20¼	— ⅛
ArizB	.80b	1.9	974	41⅞	41⅛	41⅛	
ArkRst			563	12	11⅛	11½	— ½
Arnold	.60	1.2	13	50	46	50	+ ½
ArowB s	1.92	2.9	4	65½	65½	65½	—2½
Artel			703	5⅜	5⅛	5⅛	+ ⅛
Ashton			4511	23⅜	22⅝	22⅞	— ⅛

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
AARP Invst:		
CapGr	21.14	NL
GinlM	16.04	NL
GenBd	15.91	NL
GthInc	20.35	NL
TxFBd	16.15	NL
TxFSh	15.48	NL

NL—No load (sales charge). f— Previous day's quote. r-Redemption charge may apply. x—Ex dividend.

(Continued on Page 13)

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued from Page 12)

	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]					

Last Week's NYSE

NYSE Most Actives

	Vol.	High	Low	Last	Chge.
JohnJn	182041	49½	47¾	49	+1¼
AT&T	97903	22⅝	21	22⅝	+ ⅝
Texaco	74576	29⅝	28¼	29	+ ¼
IBM	65936	161	156	159⅝	+3½
BaxtTr	64510	18⅝	15¾	17⅝	+1¾
BnkAm	64219	15½	13¾	14⅝	+1¼
PhilPrs	57777	10⅝	9½	10⅛	+ ⅜
GMot	49025	80½	77⅛	80⅝	+ ¾
FinCpA	47182	15½	12¾	15	+2⅛
Sears	45784	43⅝	41⅝	42⅝	+1¼
FedNM	44834	32¼	30⅝	31⅝	+1
SouthCo	42339	23⅝	22½	23⅝	+ ⅝
Exxon	42980	52⅝	51⅝	52⅝	+ ¾
DowCh	42277	51½	45¼	51	+5⅝
Schimb	40384	30⅝	29	29⅜	+ ¼
UniTel	39523	28⅝	27¾	28⅝	+1⅛
EsKod s	38976	52⅝	49⅝	52⅜	+ ⅞
MerLyn	35782	41⅝	38⅜	39⅝	+ ½
USSteel	34972	23	22⅛	22⅝	— ⅝
Smithln	33464	3½	1⅞	2⅛	— ⅜
Bostna s	33391	58⅝	48½	50	
Monsan	32947	48⅝	53⅝	57½	+6⅝
FordM	32480	73	68⅝	71⅝	+1½
EastAir	32284	6⅝	5½	6⅜	+ ⅜
AmExp	31560	64¾	60⅝	64½	+2¾

NYSE Diaries

	This Wk	Last Wk
Advanced	1502	1490
Declined	519	540
Unchanged	204	280
Total Issues	2225	2250
New Highs	790	658
New Lows	48	73

NYSE Sales

	Sales Vol.
Total for week	629,568,800
Week ago	699,618,800
Year ago	406,310,800
Two years ago	364,810,800
Jan 1 to date	4,954,580,901
1985 to date	4,435,988,000
1984 to date	3,865,510,800

Last Week's AMEX

AMEX Most Actives

	Vol.	High	Low	Last	Chge.
DomeP	39625	1⅞	1¾	1⅞	— ⅛
WangB	30881	20¼	19⅛	20	+ ¾
AM Intl	20926	7⅝	6⅝	7⅜	+ ⅝
Wickes	19946	4¾	4½	4⅝	— ⅛
BAT In	16117	5⅝	5⅜	5½	+ ⅛
Amdahl	13149	16⅝	15	16½	+1½
SterlSft	12444	16⅛	14½	15⅞	+1½
ImpGp	10295	4⅝	4⅛	4½	+ ⅜
DataPd	8908	16½	14⅝	16¼	+1⅝
OzarkH	8542	17¾	16½	17½	+ ⅞
Lionel	8494	8⅝	7½	8⅛	+ ⅝
Husky g	7018	6	4⅞	5⅜	— ¾
WhrEn s	7084	24½	19⅞	23⅞	+3⅞
EchoB g	6866	14⅞	13⅞	14⅜	+ ⅜
MchGn	6732	5⅜	3⅞	4⅞	+ ⅝
Hasbro	6641	41⅝	38⅝	41⅝	+2⅛
Astrotc	6071	1⅝	1⅜	1⅜	— ¼
KeyPh	5897	12⅝	11⅜	12⅜	— ⅛
LarmTn	5802	24⅝	22⅝	23⅜	
AmRoyl	5762	9⅞	7⅞	8½	— ⅝
HmeGn	5624	27⅝	25⅝	27¼	+1⅛
RoonyP	5461	1⅞	1¼	1½	— ⅜
NYTimes	5267	59⅝	53⅝	59	+5⅜
Oppenh	5105	12⅝	9⅞	12	+2⅛
TIE	5025	5⅝	5½	5½	— ¼

AMEX Diaries

	This Wk	Last Wk
Advanced	487	442
Declined	309	351
Unchanged	125	133
Total Issues	921	926
New Highs	183	163
New Lows	50	48

AMEX Sales

	Sales Vol.
Total for week	58,580,000
Week ago	63,698,000
Year ago	33,360,000
Jan 1 to date	483,900,000
1985 to date	364,580,000
AMERICAN BONDS =	
Total for week	15,540,000
Year ago	7,920,000

EUROPEAN COMMUNITY

Chemical Industry Fights Export Controls

By Steven J. Dryden
International Herald Tribune

BRUSSELS — Compromise proposals by the European Community's executive Commission to control the export of dangerous chemicals face continued opposition from the chemical industry.

The proposals were made by the commission earlier this month after a lengthy internal debate. The debate pitted proponents of strict controls on chemical exports to the developing world against officials concerned about keeping European industry competitive in the global market for pesticides and other chemical products.

European companies are responsible for more than half of the world's pesticide exports.

Earlier draft proposals by the commission that envisioned tougher guidelines were toned down. But Jean-Pierre Jacobs, a spokesman for the European Council of Chemical Industry Federations, said the current proposals would still create "too much bureaucracy and red tape," and could not guarantee improved safety.

The proposals would require companies to notify the commission when they wish to export any of 23 substances that are banned or under strict control by EC countries. The commission would notify the country importing the chemicals, which would have 60 days to consider the safety questions involved and refuse the import.

If the importing country did not refuse, the company could go ahead with shipment. This procedure would be required only once with each substance.

The proposals are to come into effect at the beginning of 1989, but the commission has proposed that it be granted a mandate in the meantime to seek an international agreement establishing similar controls.

Earlier drafts of the proposals provided for immediate application of the restrictions and a 90-day period in which countries could refuse the import of the substances.

EC environment ministers, who must approve the proposals, are expected to take up the issue for the first time at their June meeting. Mr. Jacobs said the chemical industries' organization would argue against the requirement for prior consent from importing countries.

French Food Exports To Egypt Investigated

The commission has opened an investigation into whether certain French support for agricultural exports violates EC competition law.

At issue is French financial assistance to Egypt in 1984 and 1985 to support the purchase of French wheat flour and beef. Ireland complained to the commission that it could not compete with France under those conditions.

France replied that the aid was necessary to counter U.S. efforts to dominate the Egyptian agricultural market, considered by the French to be one of their traditional outlets for exports.

Rivalry between the United States and France for the Egyptian wheat market grew more intense last year when the Reagan administration launched a $2-billion agricultural subsidy program using surplus farm products. The program was aimed at North African markets among others.

Claude Cheysson, who was France's minister of external relations and is now EC commissioner for North-South relations, argued in the commission against opening the investigation. He said that in the face of the U.S. offensive, and without an EC policy on export credits, member states had little choice but to give such special aid.

Mr. Cheysson was opposed by Peter Sutherland, Ireland's former attorney general who is commissioner for competition policy, and Frans Andriessen, the agriculture commissioner.

GATT Talks to Be Forum For Textile Discussions

EC trade ministers agreed last week that the community would discuss the liberalization of world textile trade in the new round of negotiations under the General Agreement on Tariffs and Trade.

However, Spain and Portugal, important textile producers, delayed giving their final approval.

The ministers made their decision during talks on the community's negotiating position for the extension later this year of the Multi-Fiber Arrangement, which governs the bulk of world trade in textiles and clothing. The ministers did not take a position on whether this extension would be the last, but linked this question to the new round, where the application of GATT rules to textile trade could be discussed.

Many textile-producing countries in the developing world want to see the Multi-Fiber Arrangement eliminated and unrestricted access granted to markets in industrialized nations.

India's Fast-Food Dynasty

(Continued from Page 7)

and an ice cream parlor is planned. Next year, the Nirulas plan to tap Bombay's vast market.

The Hot Shoppe is one of the city's most crowded eating places, packed with students and housewives, professionals and children. Pizzas, hamburgers and hot dogs are the best sellers. Rock and pop music play loudly and a digital display board indicates when orders are ready.

The Nirulas' ice cream parlors use the strawberry- and chocolate-colored polka dots that are the trademark of the Baskin Robbins chain in the United States, and they serve 21 flavors, which include traditional American ones as well as Indian varieties, such as gulabo, made from rose petals.

Adapting American fast food to an Indian consumer raised some concerns for the Nirulas at first.

"The whole concept of a stand-up place was very new," Lalit Nirula said.

"What worried us early on was whether a strict vegetarian from the south would eat a meal standing next to a person who is chomping on a hamburger," he said, referring to Hindus, many of whom are vegetarians and usually fastidious about not eating at places where meats are cooked.

Since beef is taboo to all Hindus, the hot dogs were made of pork and the hamburgers of minced lamb.

Chicago Exchange Options

Figures as of close of trading Friday.

Option & price	Calls		Puts	
[illegible]				

Total Volume: 1,149,981
Open Interest: 6,374,897
r—Not traded. s—None offered. o—Old.

American Exchange Options

Figures as of close of trading Friday.

Option & price	Calls		Puts	
[illegible]				

Total Volume: 351,522
Open Interest: 3,454,33?
r—Not traded. s—None offered. o—Old.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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FRANKFURT POLAND ESCORT Service. Tel: 069/63 41 59.

HEATHROW LONDON ESCORT Service. Tel. 994 6682.

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DOMINA - DUSSELDORF ESCORT & guide service. Tel: 0211-37 53 19.

HONG KONG: GREEK Escort Agency. Kowloon 724 33 01 or 66 84 80

MADEMOISELLE Escort Service. Hamburg. 040/45 01 89.

MUNICH TOUCH ESCORT + Guide Service. Tel: 91 23 14

AMSTERDAM CHA-CHA ESCORT Service. Tel: 020-654078

BRUSSELS NATHALIE Escort Guide Service. Call 02/633 28 70.

DOMINA AMSTERDAM ESCORT Guide Service. Tel: (020) 762842

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MUNICH - BLONDY & TANJA Escort Service. Tel: 311 79 00 or 311 11 06.

TWIN SISTERS ESCORT SERVICE. London. Tel: 289 4425.

BRUSSELS. CHANTAL ESCORT Service. Tel: 02/520 23 65.

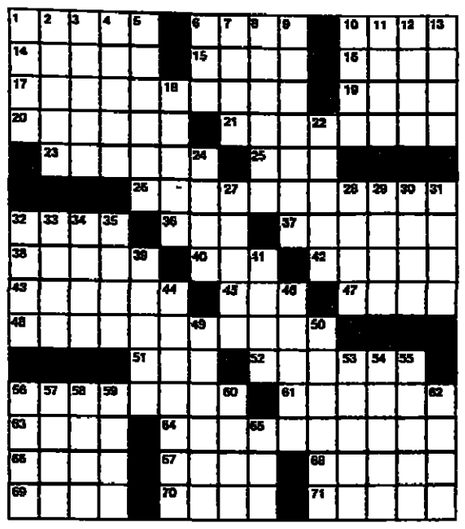
FRANKFURT - USCHI escort service. Tel: 069/65 53 90.

HAMBURG - SABRINA Escort Service. Tel: 040/58 65 35.

MADRID, NEW LOOK Escort & Guide service. 250 79 95. Cards.

MUNICH - CONCORDE ESCORT Service. Tel: 91 84 59.

LONDON GENIE ESCORT Service. Tel: 370 7151.



ACROSS

1 Waited for revelers to *return*
6 Small drink
10 Rise suddenly
14 Grape seeds
15 Roof part
16 Dies—
17 New Year's Eve beverages
19 New Year's song word
20 Mexican blanket
21 Certain bridges
23 Breakfast snack
25 Stitch
26 New Year's Eve horns, *rattles, etc.*
32 This, in Vigo
36 A legume
37 Plug
38 Keyboard combination
40 Eat dinner
42 "Come Back, Little——"
43 Pierre's avian pet
45 Scot's negative
47 Villainous look
48 New Year's Day happening
51 Three—— match
52 More or Mann
56 Where to run up an *idea?*
61 Trojan woman saved by Aphrodite
63 Baltic port
64 New Year's decision
66 A White House office
67 Wagnerian heroine
68 Fortification
69 European blackbird
70 He has a colorful job
71 Lock of hair

DOWN

1 Indians who merged with the Foxes
2 Yearned
3 Diadem
4 Dishearten
5 Dessert apple
6 Ph.D., e.g.
7 Rave's companion
8 Reluctant
9 Old synonym for "I think"
10 Cast off, as a lover
11 Caspian Sea feeder
12 Pride of a member of a pride
13 Violin fasteners
18 Greek fabulist
22 Attacks flies
24 Hurries
27 Hangover cure?
28 Schmidt's successor
29 Fencer's need
30 Cartoonist Goldberg
31 Train for a bout
32 "Behold!" to Brutus
33 Kind of carpet
34 Chinese society
35 Mediterranean port
39 Languish
41 Role
44 Disregarded
46 Merman or *Kennedy*
49 In a feeble way
50 Fermented milk product
53 Rhythmic pattern
54 Playwright's device
55 Porticoes for Pericles
56 "—— Here to Eternity"
57 Not taped
58 Lab gel
59 Rancor
60 First word of N.C.'s motto
62 Harding and Sothern
65 Row

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DENNIS THE MENACE

"ICE IS JUST WATER WITH ALL THE JUICE SQUEEZED OUT."

JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

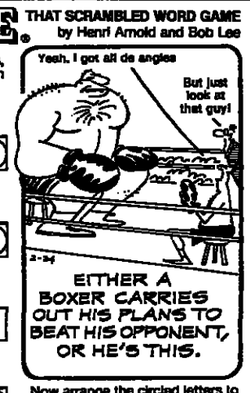
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LUFTO

DENIK

UNCANE

BRUBRE



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( )

(Answers tomorrow

Friday's Jumbles: FLOOD OCTET EMERGE CUPFUL
Answer: What you might get when the wool is pulled over your eyes—"FLEECED"

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	15	59	8	46	cl
Amsterdam	-1	30	-8	18	fr
Athens	17	63	12	54	c
Barcelona	22	72	9	48	cl
Belgrade	2	36	0	32	c
Berlin	-4	25	-13	9	fr
Brussels	1	34	-5	23	fr
Bucharest	4	39	1	34	fr
Budapest	1	34	-6	21	c
Copenhagen	-1	30	-14	7	fr
Costa Del Sol	23	73	12	54	fr
Dublin	2	36	0	32	sw
Edinburgh	1	34	-7	19	c
Florence	6	43	1	34	fg
Frankfurt	0	32	-6	21	c
Geneva	6	43	0	32	r
Helsinki	-11	12	-23	-10	sw
Istanbul	12	54	11	52	sh
Las Palmas	21	70	—	—	c
Lisbon	16	61	14	57	c
London	1	34	-1	30	sw
Madrid	15	59	9	48	cl
Milan	6	43	0	32	c
Moscow	-5	23	-15	5	c
Munich	-5	23	-12	10	sw
Nice	15	59	6	43	cl
Oslo	-5	23	-16	3	cl
Paris	1	34	-3	27	c
Prague	-4	21	-9	14	c
Reykjavik	2	36	-1	30	c
Rome	14	57	1	34	c
Stockholm	-1	30	-9	16	sw
Strasbourg	-2	28	-8	18	c
Venice	10	50	1	34	fr
Vienna	—	—	-8	18	na
Warsaw	-5	23	-17	1	fr
Zurich	-2	28	-5	23	sw

MIDDLE EAST					
Ankara	12	54	-1	30	c
Beirut	—	—	—	—	na
Damascus	—	—	—	—	na
Jerusalem	16	61	4	39	fr
Tel Aviv	22	72	8	46	fr

OCEANIA					
Auckland	23	91	21	70	cl
Sydney	27	70	18	64	c

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	21	70	fr
Beijing	4	39	-3	27	fr
Hong Kong	14	61	12	54	c
Manila	30	86	23	73	fr
New Delhi	22	72	10	50	fr
Seoul	1	34	-4	25	fr
Shanghai	14	57	0	32	fr
Singapore	33	91	23	73	fr
Taipei	16	61	11	52	c
Tokyo	11	52	3	37	fr

AFRICA					
Algiers	22	72	6	43	fr
Cairo	—	—	—	—	na
Cape Town	—	—	11	52	na
Casablanca	20	68	11	52	fr
Harare	—	—	16	61	na
Lagos	30	86	25	77	c
Nairobi	28	82	11	52	c
Tunis	21	70	8	46	cl

LATIN AMERICA					
Buenos Aires	33	91	23	73	fr
Caracas	26	79	17	63	cl
Lima	26	79	19	66	c
Mexico City	26	79	10	50	fr
Rio de Janeiro	29	84	25	77	cl

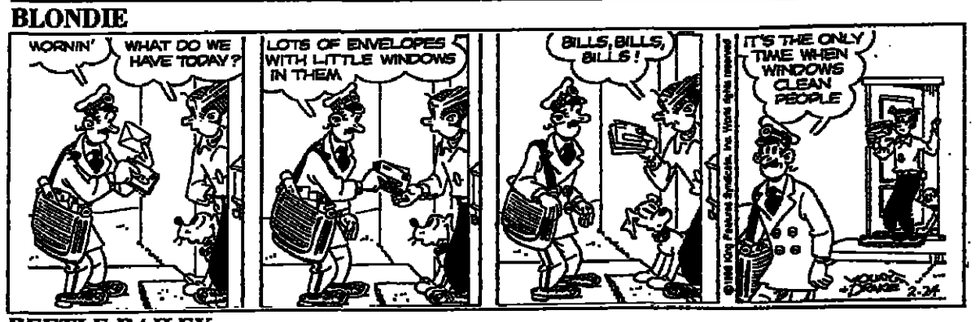
NORTH AMERICA					
Anchorage	-6	21	-14	7	cl
Atlanta	16	61	7	45	cl
Boston	0	32	-3	27	cl
Calgary	-2	28	-8	18	sw
Denver	15	59	0	32	fr
Detroit	-2	28	-10	14	cl
Honolulu	27	81	21	70	fr
Houston	20	68	3	37	fr
Los Angeles	28	82	8	46	fr
Miami	24	75	17	63	r
Minneapolis	-7	19	-16	3	cl
Montreal	2	36	-7	19	fr
Nassau	26	79	15	59	fr
New York	3	37	0	32	cl
San Francisco	19	66	9	48	fr
Seattle	13	55	7	45	r
Toronto	0	32	-15	5	fr
Washington	7	45	-4	25	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST—CHANNEL: Choppy. FRANKFURT: Partly cloudy. Temp. -2—7 (28—19). LONDON: Partly cloudy. Temp. 0—2 (32—28). MADRID: Partly cloudy. Temps. 12—7 (53—45). NEW YORK: Partly cloudy. Temps. 3—1 (37—30). PARIS: Partly cloudy. Temps. 1—4 (30—25). ROME: Sunny. Temps. 11—4 (52—39). TEL AVIV: No. ZURICH: Snow. Temps. -3—7 (27—19). BANGKOK: Mist. Temps. 32—25 (90—77). HONG KONG: Cloudy. Temps. 14—12 (61—54). MANILA: Fair. Temps. 29—23 (84—73). SEOUL: Fair. Temps. 1—4 (34—39). SINGAPORE: Showers. Temps. 32—23 (90—73). TOKYO: Fair. Temps. 11—1 (52—30).

PEANUTS

BLONDIE

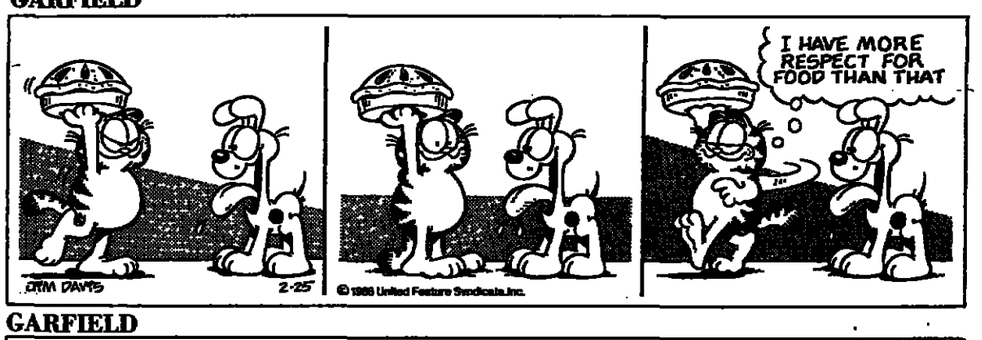


BEETLE BAILEY

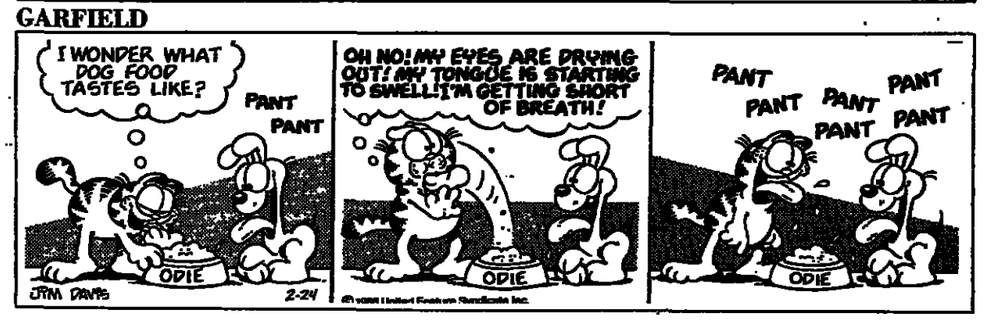
ANDY CAPP

WIZARD of ID

GARFIELD



GARFIELD



BOOKS

ALEXANDER POPE: A Life

By Maynard Mack. 975 pages. $22.50. W. W. Norton & Co., 500 Fifth Avenue, New York, N. Y. 10110.

Reviewed by Denis Donoghue

NOW that literary criticism has taken to the wilder shores of discourse, biography is one of the few modes of literary scholarship that continue to speak to the common reader. A writer's life is apparently more hospitable, or more accommodating, than the works that justify reciting it, or the forms that criticism prescribes for their reception. Alexander Pope's "The Dunciad" is read only upon obligation, but the bizarre little man who wrote it is evidently of far wider consideration. There are writers, like Walter Pater, who coincide with their works and hardly exceed them: We feel that little or nothing is left over, after reading the works, to arouse our curiosity or provoke common speculation. But Pope, many people feel, did not begin or end with his poems.

Maynard Mack has been engaged with Pope's life and work for many years. He has edited much of the poetry, including the "Essay on Man" and the translations of Homer. He has also written "The Garden and the City" (1969), a study of the mutual tension between pastoral retirement and political conflict in Pope's later poetry. In the preface to that book Mack promised "a rounded biography" of the poet, but he knew that the work would take many years.

Mack starts with Pope's Catholic background and the particular impediments it imposed. Penal laws against Catholics prohibited them from holding the normal offices or pursuing standard careers open to Protestants of similar talent. It is clear that in later years Pope took his Catholicism pretty lightly: It was not a matter on which he was willing to be ardent. But he did not disavow it, or seek advancement by giving it up. He was more troubled by the far worse disability of his poor body. A dwarf and a cripple, he had tuberculosis of the bone, now known as Pott's disease. No wonder he referred to "this long disease, my life" and to "that little Alexander the women laugh at."

But women smiled upon him, too. Mack makes much, but not too much, of Pope's friendships with women: Anne Cope, Teresa and Martha Blount, Mrs. Howard and, at least for some years, Lady Mary Wortley Montagu. Lady Mary came to hate Pope, and taunted him for his ugly body:

But how should'st thou by Beauty's Force be mov'd,
No more for loving made, than to be lov'd?
It was the Equity of righteous Heav'n,
That such a Soul to such a Form was giv'n.

But in the early years, when Pope was infatuated by Lady Mary, she had not found his attentions ridiculous.

Pope's friends included many of the most formidable and some of the most vivid personalities of a vivid time. Mack enters with notable zest into the record of these relations: William Wycherley, Samuel Garth, Sir William Trumbull, William Walsh, Henry Cromwell, John Gay, John Arbuthnot, Jonathan Swift, Richard Steele, Joseph Addison (this friendship did not survive), the Earls of Burlington, Oxford, Bathurst.

Henry, Viscount Bolingbroke, must be regarded as a special case. Mack has always been hard on him. He has never taken seriously the claim that Bolingbroke was a major influence on the argument or the poetry of the "Essay on Man." He concedes that Bolingbroke encouraged Pope, and nudged him in the right direction, but even so much is a concession wrung from him. After Pope's death in 1744, Bolingbroke acted contemptibly, and betrayed his friend. Mack does not allow any mitigation of the crime.

The biography is, as one would expect, warmly sympathetic to its subject. There are a few episodes in which Pope's behavior is hard to forgive. In 1735 he assembled and, in some cases, fabricated letters to Addison, William Congreve and other men. Mack's attitude is that Pope indeed fabricated the letters but not the friendships they claimed. In 1737 Pope practised a more elaborate piece of chicanery: He tried to maneuver Swift into arranging for the publication of their mutual correspondence. The effort was devious and sordid.

Mack agrees with standard opinion that the whole affair was discreditable. But it pains the biographer to speak ill of his subject. When he comes to describe Pope's death, he almost implies that every instance of chicanery and self-seeking is to be absolved, given the appalling conditions of his life. When his friend Lyttelton came to visit him, Pope said: "Here am I, dying of a hundred good symptoms!" In the event, one symptom, dropsy of the heart, had the privilege of killing him.

It is my impression that Mack has devoted so much of his time, energy and care to Pope's life that the works themselves have come to seem illustrations of the life they accompany. In several books and essays Mack has indeed made his critical mark with the poetry. Some of his essays on Pope's wit have been reprinted so often that they virtually adhere to the poems they describe. But the life, he implies, is even greater than the poetry; or at least it more completely answers the range of interests it arouses.

T.S. Eliot once argued that "the more perfect the artist, the more completely separate in him will be the man who suffers and the mind which creates; the more perfectly will the mind digest and transmute the passions which are its material." But there is a level of interest upon which such a distinction is artificial, and there the biographer holds court.

Denis Donoghue, who holds the Henry James chair of letters at New York University, is the author, most recently, of "Ferocious Alphabets" and "The Arts Without Mystery." He wrote this review for The Washington Post.

Solution to Friday's Puzzle

I	S	M	S			S	L	A	G		A	L	S	O
S	C	A	T		P	H	I	L	O		V	I	E	W
O	L	D	E		L	I	E	U	T		E	B	A	N
B	E	R	T	R	A	N	D	M	U	S	S	E	L	
A	R	I	S	E	N			S	P	A		R	E	V
R	A	D		E	T	A	L			L	E	A	V	E
			C	L	A	M	O	S	H	A	N	T	E	R
H	A	L	O		I	N	O	N	E		D	E	L	A
A	B	A	L	O	N	E	T	E	X	A	S			
N	O	T	E	D			S	E	A	T		A	B	U
D	U	C		E	S	S			G	A	S	M	A	N
	T	H	E	S	C	A	L	L	O	P	P	O	L	L
D	E	K	A		O	C	E	A	N		R	U	B	E
O	V	E	R		T	R	A	M	S		E	N	O	S
C	E	Y	S		T	A	R	P			E	T	A	S

2/22/86

BRIDGE

By Alan Truscott

ON the diagramed deal West's jump overcall of three hearts was rather odd, for his hand had too much outside strength for the weak variety and not enough high cards for the intermediate jump popular in Europe. North's double was negative, and South reached four spades.

With two potential trump tricks, one would not expect West to try for a ruff, but he nevertheless produced the club nine. The proved better than the obvious heart, which would have left South in the driver's seat.

South won in dummy with the king, dropping the queen from her hand for entry reasons, and led a trump to the king. West on with the ace and erred by shifting to a heart. South ruffed East's ace and persevered with the queen and another trump.

When West took his trump jack, he shifted belatedly to a small diamond. South made the winning guess by putting up dummy's king and collected an unlikely overtrick since there were discards for both her diamond losers.

North and South tactfully refrained from explaining to West the error in his thinking. He should have shifted to a diamond, not a heart, at the third trick: the heart ace in the East hand could be taken later if necessary, but the diamond queen might wither on the vine if immediate action were not taken to pluck it.

NORTH
♠ 4 2
♡ K Q
◇ K 10 7 2
♣ K J 10 6 2

WEST
♠ A J 8
♡ J 10 9 8 5 2
◇ A 8 4
♣ 9

EAST
♠ 7 5
♡ A 7 6 4 3
◇ Q 6 5
♣ 8 7 4

SOUTH (D)
♠ K Q 10 9 8 3
♡ —
◇ J 9 3
♣ A Q 5 3

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♠	3 ♡	Dbl.	4 ♡
4 ♠	Pass	Pass	Pass

West led the club nine

SPORTS BRIEFS

Tewell Takes One-Stroke Lead in L.A. Golf

LOS ANGELES (AP) — Doug Tewell opened with a string of six birdies Saturday and went on to shoot a 5-under-par 66 for the lead after three rounds of the Los Angeles Open golf tournament.

His 54-hole total of 207 at the Riviera Country Club was good for a one-shot advantage over the defending champion, Lanny Wadkins, who was tied with Dennis Trixler and Willie Wood. Mac O'Grady, whose hole-in-one helped give him a one-stroke lead after two rounds, shot 75 and dropped four shots back. Trixler missed an eight-foot (2.4-meter) putt for par on the 18th hole.

Tewell, an 11-year tour veteran whose only two PGA victories came in 1980, had begun the day five strokes behind O'Grady. He moved into contention with birdies on the first six holes, a string that left him two short of the PGA record.

Hong Kong Racing Suspensions Extended

HONG KONG (AFP) — Hong Kong horse racing authorities extended suspensions Sunday on 12 of the 22 persons, including 11 jockeys and two trainers, who were arrested Thursday in connection with an alleged major corruption scandal that is reported to involve race-fixing.

A former English champion trainer, Derek Hunt, was among those arrested. They were released on bail, and Hunt's suspension was lifted Sunday. But a former champion jockey and leading trainer, Derek Cheng; a former Arc de Triomphe-winning jockey, Gary Moore of Australia; and a leading English rider, Bruce Raymond, were among 12 whose suspensions were extended by as much as four months. The 12 originally had been suspended until Monday.

The Royal Hong Kong Jockey Club and Hong Kong's Independent Commission Against Corruption declined to detail what they said were "racing malpractices."

For the Record

Michael Spinks will defend his International Boxing Federation heavyweight title on April 19 in Las Vegas against the former champion, Larry Holmes. Spinks took the title from Holmes in September. *(UPI)*

Karin Kania of East Germany won the women's championship and Igory Zhelezovski of the Soviet Union retained the men's title Sunday at the 1986 World Sprint Speed Skating Championships in Tokyo. Kania clocked 1:18.84 in one of her 1,000-meter heats, breaking the world record of 1:19.31 held by Natalya Petruseva of the Soviet Union. *(UPI)*

Ben Johnson of Canada equaled his indoor world mark of 6.50 seconds for the 60-meter dash Saturday at the Canadian winter championships in Edmonton, Alberta. Johnson set the mark in January in Osaka, Japan. *(AFP)*

Maris Bruzhiks of the Soviet Union set an indoor mark of 17.54 meters (57 feet 6½ inches) for the triple jump Sunday at the European Indoor Track and Field Championships in Madrid. The previous mark, 17.50 meters, was set last month by Charlie Simpkins of the United States. *(UPI)*

Sot Chitalada of Thailand retained his World Boxing Council flyweight title Saturday in Kuwait with a 12-round decision over Freddie Castillo of Mexico. *(AP)*

Dave Hunter of the Edmonton Oilers was released on bail from jail Friday after informing an Edmonton court that he planned to appeal his conviction for driving while impaired and for refusing to provide a breath sample on Jan. 17, 1985. *(AP)*

Wolfgang Hoppe and Dietmar Schauerhammer of East Germany won the World Two-Man Bobsled Championships on Sunday in Koenigsee, West Germany, to retain their title. The Swiss team of Ralph Pichler and Celest Poltera finished second, 1.9 seconds behind after four races. *(AP)*

DePaul: From a Runner-Up to Also-Ran

By William C. Rhoden
New York Times Service

NEW YORK — For six straight years, before Cub pennant fever and Super Bowl shuffles, DePaul, the pride of the North Side, came frustratingly close to bringing Chicago a long-awaited winner.

1979 — The Blue Demons reach the final four but lost to Indiana State, 76-74, in the National Collegiate Athletic Association basketball semifinals.

1980 — Top-ranked DePaul is upset in the first round of the NCAA tournament by UCLA.

1981 — Top-ranked DePaul is upset in the first round by St. Joseph's.

1982 — Second-ranked DePaul is upset by Boston College.

1983 — DePaul loses to Fresno State in the National Invitation Tournament championship game.

1984 — Inspired by Ray Meyer's last season as coach after 42 seasons, the fourth-ranked Blue Demons reach the second round of the NCAA tournament, then are beaten in overtime by Wake Forest.

In time, the disappointments gave way to a tired resignation in Chicago that perhaps there would always be a bucket of tears at the end of DePaul's rainbow.

But now, even the rainbow is gone.

Before Saturday's nationally televised 81-72 triumph victory over St. John's, and last Wednesday's 48-44 victory at Indiana State, DePaul had lost four straight games, for the first time in 11 years.

"We've reached what you might call 'rock bottom,'" said Dallas Comegys, the forward.

And before the St. John's game, they found themselves groping desperately for a confidence builder.

No one seeks it more than the coach, Joey Meyer, who succeeded his legendary father, Ray, last season and guided DePaul to a 19-10 record that included elimination in the first round of the NCAA tournament.

This season, DePaul is 16-10 and Meyer has been criticized almost daily for fielding a team that, some say, is short on basketball fundamentals and character in the clutch.

"When somebody that's been on top slips for a year, they are going to put the microscope on you, and sure, the microscope has hurt us," Meyer said the other day by telephone from Chicago.

"It's been very difficult for me and it's affected me healthwise. You don't sleep as well, you don't eat as well. I don't want to give in and say, 'All right, we're having a bad year, let's look for next year.'"

Meyer's critics say he has failed to gain the confidence of his players and has transferred the pressure he feels to them.

"What's going on now is part of the normal vicissitudes of Division I basketball," said Dick Versace, the coach at Bradley, who was raised in Chicago and coached high school there. "We all go through it. When you get to be 46 it's different from when you're 36. You've got more moxie, more wisdom. Joey needs to go through that."

At the rate things have been going, Meyer could age 20 years this season.

"It's just been a very trying year for Joey," said Ray Meyer, who stays close to the program as a color commentator on the Blue Demons' radio broadcasts.

"It's frustrating for me, too. It's like a jigsaw puzzle, and the pieces don't fit. They don't have the chemistry to make a winning team. They lack leadership, they don't play well together. Some of the players can play offense but not defense, others can play defense but not offense. Trying to get them all in at the right time has been frustrating."

Coaching in Ray Meyer's shadow has not been a joy for Joey, either. Last week, Ray visited practice, "just to see for myself what the problem is."

Does Ray Meyer's presence at games add to the pressure for the coach, as well as the team?

"That would be an easy crutch to point and say, 'Gee, Coach isn't giving me enough room,'" Joey Meyer said. "Coach is my father and we're very close. He's just trying to help out any way he can. Sure, sometimes emotionally it bothers me a little bit, but I kick it off and talk to him about it a little.

"You have to have confidence in what you're about," he continued. "I want to graduate my athletes, have a disciplined program and an organized system where the kids know what's expected of them and still have some fun playing the game."

Right now, that is the biggest struggle, having some fun playing the game.

AP

'When somebody on top slips, they are going to put the microscope on, and sure, the microscope has hurt us.'
—*Coach Joey Meyer*

Then Came the Upset of St. John's

New York Times Service

ROSEMONT, Illinois — Beleaguered DePaul played its best game of the season on Saturday and came away with a bruising 81-72 upset of St. John's, which at 25-3 had been ranked sixth nationally.

Dallas Comegys, DePaul's 6-foot-9-inch (2.05-meter) junior forward, scored 21 points and led a relentless attack that ended the Redmen's five-game winning streak. Rodney Strickland, the Blue Demons' 6-3 freshman guard, scored 17 points and Kevin Holmes had 15 for DePaul.

Mark Jackson scored a game-high 23 points for St. John's. Walter Berry got 21, 16 in the second half.

St. John's trailed by as many as 12 points in the second half, but cut the lead to 69-64 with 2:58 left on a basket by Shelton Jones.

After a DePaul turnover, Jackson scored to make it 69-66 with 2:29 left. Two free throws by Strickland gave DePaul a 71-66 advantage, before Ron Rowan hit a jump shot for St. John's to cut the deficit to 3.

However, Tony Jackson sank a jumper with 1:16 left and was fouled by Rowan. Although Jackson missed the foul shot, Mark Jackson missed at the other end and Strickland and Comegys made consecutive baskets to ensure victory.

SPORTS

Baseball Springs Eternal, For Players Present and Past

A Diamond Can Be a Boy's Best Friend, Too

By Peter Alfano
New York Times Service

VERO BEACH, Florida — The Duke of Flatbush was wearing a spanking white Dodger uniform and blue windbreaker, both a couple of sizes larger than he wore in the old days. He looked regal just the same. His face was bright red with a first coat of spring sunshine and his eyes were squinting under a baseball cap as he watched the game unfold on one of several well groomed playing fields at Dodgertown.

Duke Snider, "the Dook," as he was known in Brooklyn during his heyday in the 1950s, bantered with the players on the field and cheerfully signed autographs for the fans on a chamber of commerce kind of day. In the springtime, Snider's fancy still turns to baseball. This is one oldtimer who discovered long ago that a diamond can be a boy's best friend, too.

Throughout Florida and Arizona on Friday, spring training officially began as the pitchers and catchers reported to their respective teams. The rest of their teammates will be arriving within a week. For the millions of baseball fans — those living in sun belts and snow belts alike — it is a sign they are suffering the last indignities of winter.

It is like a law of nature: In February, baseball players migrate to Florida and Arizona. "They're like the birds, they come and they go," said Ben Sermons, a grounds keeper at the Joan Payson complex in St. Petersburg, Florida, where the New York Mets train.

"It's quiet now," Sermons said on a cloudy, brisk day last week as preparations for the Mets arrival intensified. "This place is like a ghost town when they're gone, but when the big team gets here, it's like a state fair."

"Spring training means flowers, people coming outdoors, sunshine, optimism and baseball. Spring training is a time to think about being young again," said Ernie Banks, the Hall of Fame shortstop who was in Vero Beach, Florida, taking part in one of those popular fantasy camps in which Dodger fans paid $5,000 each to spend a week living the life of a ballplayer, culminating with a game against 16 Hall of Famers.

Soon, there will be seen newspaper photographs and television tapes showing the players performing calisthenics. Pitchers will be seen galloping like frisky colts across the outfield grass, thoughts of 20-game seasons dancing in their heads. Hitters will be launching batting practice baseballs over the fences in Ruthian displays of power. They will not yet have been mesmerized by the first curve ball of spring.

Spring training is a tradition, a ritual that lasts for a month and a half — much longer than really necessary. Given the salaries they command and the investment they represent, players are now required to keep fit all year 'round, unlike in the years when they were too busy holding off season jobs to pay much attention to their waistlines.

Thus, the workouts and games can be boring after a while. "It's like going back to school," Snider said. But who is going to argue with tradition?

Besides, most of the players do not mind hearing this school bell ring. Spring training is a time they anticipate soon after the new year arrives. It is one of the constants in their lives, a security blanket. They look forward to greeting teammates, renewing acquaintances in the locker-room atmosphere that players find as comfortable as being in their homes.

For them, spring training also represents a fresh start, either a chance to start over, or an opportunity to perpetuate last year's success. Only one team — the World Series champion Kansas City Royals — will probably think spring arrived too soon. Wait till next year? Well, it is here.

"The great part about baseball is that you can have a tough year and then you can't wait until the next year begins because it's all new," said Banks, who knew a lot of tough years playing for the mostly dreadful Chicago Cubs in the 1950s and '60s.

Banks said he always had a special feeling in the pit of his stomach when spring training approached, as if his body could sense the winter recess was ending.

Snider said: "You start to get itchy feet. You want to get involved with a great game again. It's been part of my life for 43 years as a player, coach, instructor, minor league manager and broadcaster and it's still in my blood."

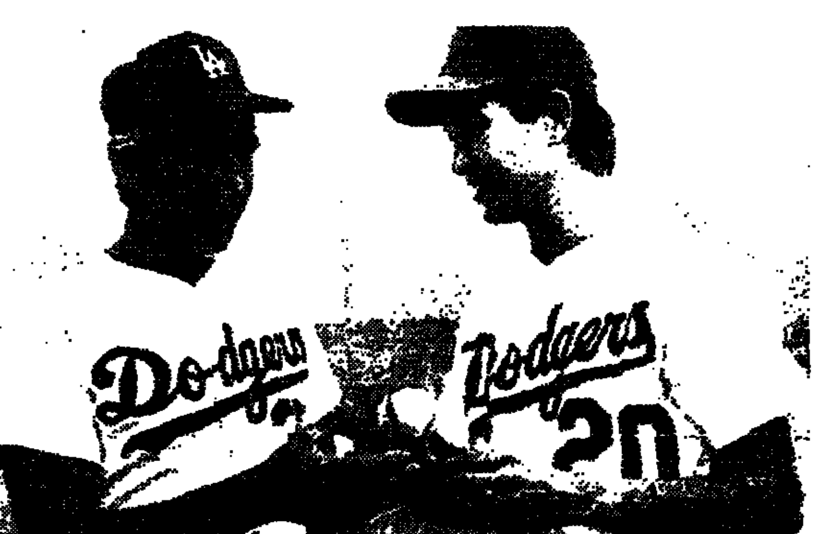
Snider recalled spring training in his early years with the Brooklyn Dodgers when "Dodgertown" was an old Naval air base abandoned after World War II. The players slept in barracks, eating food suited more for recruits in basic training.

"The walls were so thin you could hear people snoring four rooms down," Snider said. "They threw our food on metal trays and it wasn't any good. Our practice diamonds were behind a swamp and we had to carry our bats when we went there because of the snakes."

And yet the urge to hear the familiar cry, "play ball," was just as overpowering then as it is now, when players live in condominiums on the beach and train in facilities equipped like health spas.

"You just can't help but be excited," said Phil Niekro, the 46-year-old pitcher for the New York Yankees, who stopped at the Atlanta Braves' camp last Wednesday in West Palm Beach to say hello to some old friends.

"After the holidays, you've had your fill of turkey and your heart starts pumping," Niekro said. "You start getting everything together two weeks early."


Reuters-UPI

Sandy Kofax, who pitched his way into the Hall of Fame, gave some tips to Shoji Sadaoka. The Japanese is working out in Florida with the Dodgers.

SCOREBOARD

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct.	GB
Boston	42	11	.792	—
Philadelphia	36	20	.643	7½
New Jersey	30	28	.517	14½
Washington	26	30	.464	17½
New York	19	37	.339	24½
Central Division				
Milwaukee	40	18	.690	—
Atlanta	32	24	.571	7
Detroit	33	25	.569	7
Cleveland	22	34	.393	17
Chicago	20	38	.345	20
Indiana	19	37	.339	20

WESTERN CONFERENCE

Midwest Division

	W	L	Pct.	GB
Houston	36	20	.643	—
Denver	34	23	.596	2½
Dallas	29	26	.527	6½
San Antonio	30	28	.517	7
Utah	28	30	.483	9
Sacramento	24	32	.429	12
Pacific Division				
L.A. Lakers	40	14	.741	—
Portland	29	31	.483	14
Phoenix	22	33	.400	18½
L.A. Clippers	21	34	.382	19½
Seattle	20	37	.351	21½
Golden State	18	40	.310	24

FRIDAY'S RESULTS

Seattle 24 26 19 35—104
New York 34 25 30 28—117
Wilkins 10-16 3-4 23, Bannister 9-16 2-4 20; McDaniel 11-19 6-6 28, McCormick 8-13 5-7 21. Rebounds: Seattle 53 (McCormick 13), New York 50 (Thornton 12). Assists: Seattle 24 (Phelps, Chambers 4), New York 31 (Walker 9).

Indiana 18 24 31 25— 98
Atlanta 32 28 29 25—106
Wilkins 13-27 12-12 38, Willis Wittman 7-11 6-6 20; Williams 12-27 9-12 33, Anderson 7-16 3-5 17. Rebounds: Indiana 40 (Williams 14), Atlanta 54 (Willis 17). Assists: Indiana 28 (Warrick 7), Atlanta 30 (Rivers 12).

Houston 27 30 34 20—111
Dallas 25 26 29 24—104
Sampson 16-33 6-9 38, Lloyd 7-17 4-4 18; Aguirre 11-22 5-6 28, Blackman 6-15 4-4 17. Rebounds: Houston 58 (Sampson 15), Dallas 52 (Donaldson 18). Assists: Houston 29 (Lucas 17), Dallas 22 (Davis 8).

L.A. Lakers 23 26 33 24—106
New Jersey 37 29 22 33—121
M.Johnson 8-11 5-8 21, Gminski 8-17 4-4 20, King 8-14 4-6 20; Abdul-Jabbar 13-28 2-4 28, E.Johnson 6-9 7-9 20. Rebounds: Los Angeles 48 (Lucas 8), New Jersey 58 (Williams 15). Assists: Los Angeles 18 (E. Johnson 10), New Jersey 26 (Richardson 8).

Washington 23 28 18 26—87
Philadelphia 20 26 33 20—97
Barkley 11-22 4-4 26, Cheeks 9-18 5-6 23; Ruland 5-19 6-9 16, Robinson 5-12 5-6 15, J.Malone 6-19 3-3 15. Rebounds: Washington 52 (Ruland 15), Philadelphia 65 (Barkley, Malone 21). Assists: Washington 16 (Williams 6), Philadelphia 18 (Cheeks 7).

Portland 19 24 30 23— 96
Chicago 28 26 28 26—108
Banks 8-15 10-14 26, Green 7-15 6-6 20; Vandeweghe 11-18 2-3 24, Drexler 7-16 4-7 18. Rebounds: Portland 42 (Thompson 8), Chicago 54 (Oakley 15). Assists: Portland 22 (Drexler 5), Chicago 28 (Holton 8).

Sacramento 31 16 32 39—118
Phoenix 29 31 32 28—118
Johnson 16-25 4-6 36, Theus 8-17 6-6 22; Davis 14-26 3-3 31, Edwards 6-11 11-14 23. Rebounds: Sacramento 37 (L.Thompson 8), Phoenix 39 (Nance 10). Assists: Sacramento 31 (Theus 11), Phoenix 26 (Davis 5).

Golden State 29 30 36 30—125
L.A. Clippers 31 26 38 28—123
Teagle 8-14 6-6 22, Carroll 6-15 9-9 21; White 10-14 6-8 26, Johnson 6-12 11-13 23, Nixon 9-18 5-6 23. Rebounds: Golden State 50 (Carroll 12), Los Angeles 57 (Maxwell 8). Assists: Golden State 21 (Floyd 7), Los Angeles 22 (Nixon 12).

SATURDAY'S RESULTS

Milwaukee 30 21 46 23—120
San Antonio 22 22 28 33—115
Moncrief 12-19 5-6 31, Cummings 6-11 4-4 16; Gilmore 8-12 9-11 25, Johnson 8-14 4-6 20. Rebounds: Milwaukee 44 (Cummings 10), San Antonio 59 (Robertson 11). Assists: Milwaukee 30 (Pressey 9), San Antonio 29 (Matthews 10).

Portland 18 36 33 31—106
Detroit 29 27 34 33—113
V. Johnson 11-16 0-0 22, Thomas 7-15 6-9 21; Colter 9-20 5-6 23, Thompson 6-9 3-4 15. Rebounds: Portland 50 (Carr 11), Detroit 46 (Laimbeer 17). Assists: Portland 24 (Porter 7), Detroit 28 (Thomas 18).

Washington 28 34 22 26—110
Cleveland 26 27 33 16—102
Malone 15-27 3-4 33, Roundfield 5-9 7-9 17; Hinson 10-26 6-8 26, Bagley 5-11 5-6 15. Rebounds: Washington 56 (Malone 8), Cleveland 49 (Hinson 12). Assists: Washington 29 (Ruland, Malone 7), Cleveland 30 (Bagley 17).

Seattle 30 24 22 28 14 6 5—125
Chicago 33 22 26 23 10 6 9—129
Banks 15-24 8-16 38, Green 13-27 2-2 28; Chambers 12-26 7-7 31, McDaniel 12-18 2-2 26. Rebounds: Seattle 46 (McCormick 13), Chicago 58 (Oakley 20). Assists: Seattle 25 (Henderson 8), Chicago 34 (Macy 8).

Atlanta 22 25 31 34—112
New Jersey 22 14 21 26—83
Wilkins 9-21 8-8 27, Willis 8-13 1-2 17; Cook 8-12 0-2 16, Williams 3-10 7-8 13. Rebounds: New Jersey 53 (Williams 16), Atlanta 58 (Willis). Assists: New Jersey 18 (Richardson 4), Atlanta 31 (Webb 10).

Denver 27 29 21 36—113
Dallas 22 32 22 29—106
Hanzlik 8-13 5-7 21, English 7-20 5-7 19; Harper 7-9 5-5 19, Aguirre 7-21 4-6 18. Rebounds: Dallas 60 (Donaldson 12), Denver 47 (Natt, Cooper, Hanzlik, Schayes 6). Assists: Dallas 23 (Aguirre, Harper, Davis 5), Denver 31 (Lever 8).

Utah 27 29 19 30—105
Phoenix 28 27 29 21—97
Dantley 15-27 6-6 36, Green 7-13 3-4 17; Davis 1-32 2-2 22; Humphries 7-15 7-9 21. Rebounds: Phoenix 58 (Adams 10), Utah 62 (Malone 14). Assists: Phoenix 18 (Davis 8), Utah 30 (Malone, Green 8).

Selected College Results

FRIDAY'S RESULTS

EAST

Brown 74, Princeton 65
Columbia 73, Harvard 54
Cornell 45, Dartmouth 44
Penn 89, Yale 72

FAR WEST

Idaho 90, Montana St. 85, OT
Montana 91, Boise St. 76
N. Colorado 79, North Dakota 69
Pepperdine 80, Portland 61

TOURNAMENTS

Dixie Conference
Semifinals
N.C. Wesleyan 82, N.C.-Greensboro 65
Christopher Newport 75, St. Andrews 62

Frontier Conference
Semifinal
N. Montana 72, W. Montana 69

North Coast Athletic
Semifinals
Ohio Wesleyan 105, Oberlin 64
Kenyon 58, Allegheny 47

Ohio Conference
Semifinals
Marietta 72, Ohio Northern 62
Otterbein 71, Muskingum 56

Old Dominion Athletic Conference
Semifinals
Washington & Lee 59, Maryville 54

SATURDAY'S RESULTS

EAST

Boston Coll. 71, Pittsburgh 68
Boston U. 92, Niagara 75
Bucknell 84, Lehigh 80
Columbia 69, Dartmouth 61
Cornell 71, Harvard 35
Delaware 84, Rider 80
Duquesne 62, Massachusetts 54
Fairfield 104, Manhattan 79
Fordham 69, Holy Cross 65
Franklin 95, St. Rose 69
Georgia Tech 77, Maryland 70
Iona 45, St. Peter's 42
Lafayette 94, Hofstra 80
Maine 58, Colgate 48
Marshall 64, Davidson 57
Navy 55, Army 52, OT
NJIT 107, MIT 66
Northeastern 90, Canisius 57
Penn 95, Brown 89
Providence 74, Connecticut 67
Richmond 76, American 68
St. Bonaventure 77, George Washington 59
St. Francis, Pa. 77, Long Island U. 76
St. Joseph's 73, Rutgers 60
Siena 91, New Hampshire 72
Temple 61, Penn St. 46
Villanova 78, Seton Hall 65
West Virginia 92, Rhode Island 74
Yale 64, Princeton 58

SOUTH

Alabama 69, Vanderbilt 68
Appalachian St. 69, VMI 67
Auburn 75, Mississippi 73
Duke 93, Oklahoma 84
Florida St. 82, Memphis St. 80
Jacksonville 62, South Florida 45
Kentucky 86, Georgia 75
Louisiana St. 88, Florida 69
Louisiana Tech 88, N. Texas St. 67
Mississippi St. 52, Tennessee 49
Notre Dame 126, Miami, Fla. 73
S. Mississippi 69, Virginia Tech 66
Virginia 82, Clemson 69
Va. Commonwealth 60, W. Kentucky 56

MIDWEST

Bradley 74, Wichita St. 64
DePaul 81, St. John's 72
Illinois 66, Ohio St. 62
Iowa 76, Northwestern 45
Iowa St. 81, Nebraska 73
Kansas 84, Kansas St. 69
Kent St. 67, Bowling Green 58
Marquette 82, Dayton 79
Miami, Ohio 82, W. Michigan 73
Michigan 62, Ala.-Birmingham 54
Ohio U. 74, Toledo 63
St. Louis 64, Detroit 62
Tulsa 68, Indiana St. 58
Wisconsin 70, Minnesota 64

SOUTHWEST

Baylor 57, Rice 44
Louisville 76, Houston 59
Oklahoma St. 90, Colorado 85
Texas Christian 65, Texas 54
Texas Tech 57, So. Methodist 44

FAR WEST

Air Force 66, New Mexico 64
Arizona 55, Oregon St. 53
Montana 91, Idaho 68
Montana St. 95, Boise St. 65
Nev.-Las Vegas 72, Fresno St. 56
New Mexico St. 72, Long Beach St. 61
Pepperdine 87, Gonzaga 64
San Diego 75, Santa Clara 62
Southern Cal 79, UCLA 64
Utah 74, Brigham Young 71
Washington 79, Washington St. 70
Weber St. 82, Nev.-Reno 69
Wyoming 77, Colorado St. 70

TOURNAMENTS

Dixie Conference
Championship
Chris. Newport 57, N.C. Wesleyan 45

ECAC
Championship
Frostburg St. 79, Mary Washington 67

Florida Christian College
Consolation Bracket
Clearwater Christian 93, Warner Southern 83

Kentucky Intercollegiate Athletic
Quarterfinals
Berea 120, Pikeville 96
Cumberland 94, Alice Lloyd 56
Georgetown, Ky. 63, Campbellsville 62
Union, Ky. 107, Clinch Valley 88

North Coast
Championship
Ohio Wesleyan 68, Kenyon 64, OT

Ohio Conference
Championship
Otterbein 100, Marietta 86

Old Dominion Athletic Conference
Championship
Roanoke 68, Washington & Lee 53

SUNYAC
Championship
Potsdam St. 77, Buffalo St. 59

Reuters-UPI

DOUBLE TROUBLE — Bryan Erickson of the Kings got hooked by Randy Velischek, left, and tripped by the Devils's goalie, Glenn Resch, as they struggled for the puck during Saturday's game in East Rutherford, New Jersey. Los Angeles won, 5-2.

Hockey

National Hockey League Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
Philadelphia	41	16	4	86	261	183
Washington	35	18	5	75	228	205
NY Islanders	29	21	10	68	244	216
Pittsburgh	28	25	7	63	241	212
NY Rangers	28	26	4	60	205	197
New Jersey	18	38	3	39	217	279
Adams Division						
Montreal	33	22	6	72	262	205
Quebec	33	24	4	70	250	217
Boston	28	25	7	63	236	224
Buffalo	28	26	6	62	228	215
Hartford	28	30	2	58	242	234

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
Chicago	30	23	8	68	270	260
St. Louis	27	24	8	62	226	222
Minnesota	25	26	9	59	246	237
Toronto	17	36	6	40	231	292
Detroit	12	43	5	29	197	314
Smythe Division						
Edmonton	41	14	6	88	323	248
Calgary	28	24	7	63	259	230
Los Angeles	20	34	6	46	217	291
Vancouver	17	32	9	43	209	243
Winnipeg	18	37	6	42	218	286

FRIDAY'S RESULTS

Pittsburgh 2 3 2—7
Detroit 1 2 0—3
Bullard 3 (34), Shedden (29), Lemieux 2 (38), Frawley (7); Oates 2 (3), Ogrodnick (31). Shots on goal: Pittsburgh (on Stefan, Laforest) 5-10-8—23; Detroit (on Meloche) 3-16-8—27.

N.Y. Islanders 1 0 0—1
Buffalo 3 1 1—5
Tucker 2 (27), Smith (12), Andreychuk (26), Cyr (15); Tonelli (19). Shots on goal: New York (on Barrasso) 7-8-6—21; Buffalo (on Smith) 20-7-9—36.

Quebec 1 1 0—2
Minnesota 0 3 2—5
Bjugstad (32), Maruk (13), Hartsburg (8), Broten (25), Lawton (13); Gillis (15), P. Stastny (32). Shots on goal: Quebec (on Beaupre) 8-9-5—22; Minnesota (on Sevigny) 8-12-7—27.

Chicago 1 1 3—5
Winnipeg 1 1 0—2
Secord (33), Larmer (23), T.Murray (37), Savard (40), Olczyk (24); MacLean (21), Arniel (17). Shots on goal: Chicago (on Hayward) 12-13-13—38; Winnipeg (on Sauve) 12-13-5—30.

Calgary 2 1 1—4
Vancouver 0 0 0—0
Otto 2 (16), Loob (19), McDonald (21). Shots on goal: Calgary (on Brodeur) 7-9-5—21; Vancouver (on Vernon) 9-9-6—24.

SATURDAY'S RESULTS

Detroit 2 0 0—2
N.Y. Islanders 2 1 2—5
D.Sutter (17), Makela (14), Bourne 2 (9), Kortko (5); Kocur (7), Ogrodnick (32). Shots on goal: Detroit (on Hrudey) 12-9-9—30; New York (on Stefan) 7-8-12—27.

Washington 0 0 1—1
Philadelphia 1 1 1—3
Propp (33), Ron Sutter (13), Eklund (13); Christian (33). Shots on goal: Washington (on Froese) 18-9-8—27; Philadelphia (on Peeters) 4-7-12—23.

Los Angeles 1 3 1—5
New Jersey 0 2 0—2
Nicholls 2 (28), Hachborn (4), Paterson (8), Taylor (27); MacLean (14), Johnson (11). Shots on goal: Los Angeles (on Resch) 9-16-8—33; New Jersey (on Melanson) 13-10-11—34.

St. Louis 1 2 2—5
Pittsburgh 1 2 0—3
Gilmour (17), Reeds (9), Lavallee (8), Flockhart (20), Meagher (6); Shedden (30), Bullard (31), Ruskowski (20). Shots on goal: St. Louis (on Romano) 10-9-9—28; Pittsburgh (on Wamsley) 11-12-6—29.

Hartford 2 1 0—3
Montreal 3 0 3—6
DeBlois 2 (9), Gingras (6), McPhee (12), Carbonneau (20), Bucyk (4); W.Babych (14), Ferraro (22), Turgeon (26). Shots on goal: Hartford (on Roy) 7-6-5—18; Montreal (on Liut) 13-9-5—27.

Boston 2 1 2 1—6
Edmonton 4 1 0 0—5
Crowder 3 (28), Courtnall (13), Simmer (22), Pederson (22); MacTavish (15), Lumley (11), Coffey (36), Summanen (17), Gretzky (42). Shots on goal: Boston (on Moog) 14-18-12-1—45; Edmonton (on Riggin) 12-9-8-0—29.

Skiing

World Cup

MEN'S DOWNHILL
(At Are, Sweden)

1. Franz Heinzer, Switzerland, 1 minute, 55.74 seconds.
2. Marc Girardelli, Luxemburg, 1:56.25.
3. Armin Assinger, Austria, 1:56.38.
4. Leonhard Stock, Austria, 1:56.68.
5. Martin Bell, Britain, 1:56.70.
6. Rob Boyd, Canada, 1:56.76.
7. Karl Alpiger, Switzerland, 1:56.83.
8. Danilo Sbardellotto, Italy, and Stefan Niederseer, Austria, both 1:56.92.
10. Andreas Wenzel, Liechtenstein, 1:56.94.
11. Michael Mair, Italy, 1:56.96.
12. Daniel Mahrer, Switzerland, 1:57.06.
13. Hartl Weirather, Austria, 1:57.08.
14. Anton Steiner, Austria, 1:57.26.
15. Markus Wasmeier, West Germany, 1:57.40.

MEN'S SLALOM

1. Pirmin Zurbriggen, Switzerland, 48.32-44.21—1:32.53 minutes
2. Paul Frommelt, Liechtenstein, 49.12-44.40—1:33.52
3. Jonas Nilsson, Sweden, 49.20-44.46—1:33.66
4. (tied) Bojan Krizaj, Yugoslavia, 49.23-44.71—1:33.94 and Hubert Strolz, Austria, 49.00-44.94—1:33.94
6. Alberto Tomba, Italy, 50.99-46.43—1:37.42
7. Finn Christian Jagge, Norway, 50.69-46.96—1:37.65
8. Alex Giorgi, Italy, 50.83-46.97—1:37.80
9. Christian Gaidet, France, 50.80-47.30—1:38.10
10. Bengt Fjaellberg, Sweden, 51.81-46.98—1:38.79
11. Grega Benedik, Yugoslavia, 51.06-47.88—1:38.94
12. Armin Bittner, Austria, 51.54-47.82—1:39.36
13. Tomaz Cizman, Yugoslavia, 52.19-47.48—1:39.67
14. Markus Wasmeier, West Germany, 50.92-49.04—1:39.96
15. Martin Hangl, Switzerland, 51.52-49.79—1:41.31

MEN'S OVERALL STANDINGS

1. Marc Girardelli, Luxembourg, 241 points
2. Peter Mueller, Switzerland, 199
3. Markus Wasmeier, West Germany, 186
4. Pirmin Zurbriggen, Switzerland, 179
5. Leonhard Stock, Austria, 145
6. Peter Wirnsberger, Austria, 143
7. Ingemar Stenmark, Sweden, 127
8. Rok Petrovic, Yugoslavia, 125
9. Hubert Strolz, Austria, 122
10. Michael Mair, Italy, 119

Soccer

ENGLISH FIRST DIVISION

Coventry City 3 Southampton 2
Liverpool 0 Everton 2
Manchester United 3 West Bromwich Albion 0
Queens Park Rangers 1 Luton Town 1
Sheffield Wednesday 1 Tottenham Hotspur 2
Arsenal vs. Chelsea ppd.
Aston Villa vs. Ipswich Town ppd.
Leicester City vs. Birmingham City ppd.
Oxford United vs. Newcastle United ppd.
Watford vs. Nottingham Forest ppd.
West Ham United vs. Manchester City ppd.
Points: Everton 62; Manchester United 59; Liverpool, Chelsea 54; West Ham United 51; Luton Town 48; Nottingham Forest, Arsenal, Sheffield Wednesday 46; Newcastle United 42; Manchester City 41; Watford 39; Tottenham Hotspur 38; Coventry City 35; Southampton, Queens Park 34; Leicester City 27; Oxford United, Ipswich Town 26; Aston Villa 25; Birmingham City 22; West Bromwich 16.

FRENCH FIRST DIVISION

Le Havre 1, Toulouse 0
Bordeaux 3, Metz 1
Lille 2, Bastia 2
Paris-SG 2, Lens 2
Nice 0, Nantes 0
Auxerre 0, Toulon 0
Laval 0, Monaco 0
Brest vs. Rennes, ppd
Marseille 0, Strasbourg 1
Nancy 3, Sochaux 0
Brest vs. Rennes, ppd.
Points: Paris-SG 47; Nantes, Bordeaux 39; Auxerre 34; Monaco, Lens 33; Toulouse 31; Metz, Nancy, Nice 30; Laval 29; Lille 28; Le Havre, Sochaux 27; Toulon 26; Marseille, Brest 25; Rennes 24; Strasbourg 20, Bastia 19.

ITALIAN FIRST DIVISION

Atalanta 2, Sampdoria 1
Avellino 1, Pisa 1
Bari 0, Juventus 3
Fiorentina 1, Roma 1
Inter 3, Lecce 0
Torino 2, AC Milan 0
Udinese 2, Como 2
Verona 2, Napoli 2

SPANISH FIRST DIVISION

Cadiz 1, Barcelona 3
Valladolid 3, Hercules 1
Real Madrid 2, Sevilla 1
Celta 0, Athletic Bilbao 1
Gijon 1, Osasuna 2
Real Sociedad 2, Atletico Madrid 3
Betis 0, Zaragoza 1
Valencia 0, Santander 1
Espanol 2, Las Palmas 0
Points: Real Madrid 44; Barcelona 38; Athletic Bilbao 33; Atletico Madrid 32; Sevilla, Gijon, Real Zaragoza 29.

WEST GERMAN FIRST DIVISION

Werder Bremen 7, Fortuna Düsseldorf 3
Bayern Munich 3, FC Cologne 1
Bor Moenchengladbach 3, FC Nuremberg 0
FC Kaiserslautern 1, Eintracht Frankfurt 1
VfB Stuttgart vs. Hamburger SV, ppd.
Schalke vs. FC Saarbruecken, ppd.
Borussia Dortmund vs. VfL Bochum, ppd.
Bayer Leverkusen vs. Waldhof Mannheim, ppd.
Points: Werder Bremen 38; Bayern Munich 34; Borussia Moenchengladbach 33; Bayer Leverkusen 27; Hamburger SV 26; Bayer Uerdingen, VfB Stuttgart 23; SV Waldhof Mannheim, VfL Bochum, Eintracht Frankfurt 21; Borussia Dortmund, FC Kaiserslautern, Schalke, FC Nuremberg 19; FC Cologne 18; Fortuna Düsseldorf 16; FC Saarbruecken 15; Hanover 14.

Tennis

PLAYERS CHAMPIONSHIPS
(At Boca Raton, Florida)

Men's Semifinals

Ivan Lendl (1), Czechoslovakia, def. Jimmy Connors (3), U.S., 1-6, 6-1, 6-2, 2-6, 5-2 (default).
Mats Wilander (2), Sweden, def. Stefan Edberg (5), Sweden, 6-4, 1-1 (retired).

Women's Finals

Chris Evert Lloyd (1), U.S., def. Steffi Graf, West Germany, 6-4, 6-2.

Transition

BASEBALL

American League

BALTIMORE—Signed John Habyan, Eric Bell and Michael Skinner, pitchers; Jim Traber and Ricky Jones, infielders, and Larry Sheets and Ken Gerhart, outfielders.

MINNESOTA—Signed Marty Castillo, catcher, and Ed Hodge, pitcher, to minor league contracts.

National League

HOUSTON—Announced Frank DiPino, pitcher, lost his arbitration case.

NEW YORK—Announced Tim Teufel, infielder, lost his arbitration case.

PHILADELPHIA—Signed John Russell and Joe Cipolloni, catchers; Steve Jeltz, shortstop, and Kevin Ward, outfielder. Signed Milt Thompson, outfielder, to a one-year contract.

PITTSBURGH—Named Joe Gallagher vice president of public relations.

BASKETBALL

National Basketball Association

LEAGUE—Fined Rick Mahorn of Detroit $3,000 and Tom Chambers of Seattle $500 for fighting.

L.A. CLIPPERS—Signed Jeff Cross, forward-center, for the remainder of the season.

NEW JERSEY—Placed Mike O'Koren, forward, on injured list. Signed Rod Higgins, forward, to 10-day contract.

FOOTBALL

National Football League

ST. LOUIS—Named Tom Bresnahan offensive line coach.

HOCKEY

National Hockey League

BUFFALO—Called up Jody Gage, right wing, from Rochester of the American Hockey League.

COLLEGE

HOUSTON—Named Ted Unbehagen assistant football coach.

NEBRASKA—Announced the resignation of Bob Thornton, defensive secondary coach.

Bubka Outvaults Olson Again, Raises World Mark to 19-5¾

The Associated Press

INGLEWOOD, California — Sergei Bubka of the Soviet Union soared to an indoor world mark of 19 feet 5¾ inches (5.96 meters) in the pole vault Friday night in the Los Angeles Times-GTE meet, improving on the mark held by Billy Olson of the United States by one-quarter inch.

Olson, who has raised the world indoor record four times this winter, finished second in the meet at the Forum, with a vault of 18-10¼. Dave Kenworthy was third at 18-4½, edging Bubka's older brother, Vasily, on fewer misses.

Joe Dial, who had set a short-lived world indoor vault standard of 19-4¼ three weeks ago, cleared just 18-0½.

Pierre Quinon of France, the 1984 Olympic champion, fared even worse, failing to clear any height.

Olson missed twice at 19-5¾. Then, after Bubka cleared the height, he asked to have the bar raised to 19-6½. But the Russians objected, saying the rules called for the bar to be moved up two inches. The officials agreed, and raised it to 19-7½. Olson missed badly at that height on his final attempt.

"Obviously I wanted to jump as close to the record as I could," Olson said, meaning the smallest increase above 19-5¾ he legally could attempt. "I got a little upset."

As it turned out, so did Bubka, who had made a series of critical remarks on Olson's skills and sportsmanship earlier in the week.

He and the Soviet team thought Olson was trying to cheat and, after the meet, he threatened to pass up a meet Sunday in San Diego, at which Olson was also to appear. But the San Diego meet organizers said they had persuaded Bubka to come.

Earlier in the Times meet, Diane Dixon ran the women's fastest 500 yards indoors. She was timed in 1 minute 2.29 seconds, breaking the world indoor mark of 1:02.3 (hand-timed) set by Valerie Brisco-Hooks a year ago.

Jeannette Bolden equaled Evelyn Ashford's world indoor best in the 60-yard dash with a clocking of 6.54 seconds.

Bubka, after regaining the world indoor pole-vault mark, appeared to tone down his earlier remarks about Olson.

"I think he's a very strong athlete, but indoors," Bubka said. "He has set a number of world records and I'll never disparage that."

Asked about the rift between the two vaulters, which started when Bubka said that Olson "wouldn't know which way to go on the runway" at a championship meet, Bubka said, "From my side there will not be any more. But from his side, I really don't know."

Bubka, speaking through an interpreter, said the rivalry had come about because "each one of us competing wants to jump higher and higher."

Olson, who set the previous indoor best of 19-5½ two weeks ago in East Rutherford, New Jersey, said, "I got beat and lost my world record on the same night and that's not fun. I'm tired, but I think still got enough in me to get the record back."

He had worn one T-shirt at the meet that read, "Sergie, Where's the Pit?" referring to Bubka's earlier remarks.

"I just wanted to lighten things up," Olson said.

Talking about the rivalry with the Ukranian that heated up after Bubka questioned his ability at a press conference, Olson said, "Maybe a lot of things got lost in translation. I've always held him in high esteem. He's a great athlete. I'm surprised at the things he said."

The Associated Press

At the meet introductions in California, Olson's 'all talk' T-shirt pointedly displayed his opinion of Bubka's criticisms.

Zurbriggen, Heinzer Survive to Win

WORLD CUP SKIING

Compiled by Our Staff From Dispatches

ARE, Sweden — Pirmin Zurbriggen, Switzerland's double world champion, mastered a steep course Sunday that wiped out 70 percent of the field and won his first World Cup slalom victory this season. It also was the second of his career.

On Saturday, Franz Heinzer won the downhill race at Are by a half-second after his teammate, Peter Müller, the leading Swiss racer, took a spectacular fall.

Zurbriggen, who was second after Sunday's first heat, powered down the afternoon leg to win in an aggregate time of 1 minute 32.53 seconds. He also won the final combined event of the season, which paired the slalom with Saturday's downhill. Markus Wasmeier of West Germany was second in the combined, and took the combined title.

Rok Petrovic of Yugoslavia, winner of three slaloms this season, led after the first leg. But in the second, he came down slower than Zurbriggen, then straddled the penultimate gate and was disqualified.

That gave Paul Frommelt of Liechtenstein second place at 1:33.52, with Swedish world champion Jonas Nilsson third in 1:33.66. Austria's Hubert Strolz and Bojan Krizaj tied for fourth at 1:33.94.

Many of the other favorites crashed during the first run, unable to master the long and treacherously steep middle section of the course, which dropped 203 meters (222 yards) and had 59 gates in the first run, 57 in the second.

Six of the 15 skiers in the top-seeded group went out on the first heat, including Marc Girardelli of Luxembourg and — to the dismay of the thousands of Swedish fans on the hill — Ingemar Stenmark.

The second run was no easier as only five of the first 16 to go made it successfully to the finish. From the original field of 94, just 28 completed both runs properly.

On Saturday, Heinzer won for only the second time in six years of cup competition and Müller, the winner of Friday's downhill, flew wildly off one of the Olympia track's 13 jumps.

With Müller being treated in the finish area, the 23-year-old Heinzer flashed down the 3,090-meter course in 1 minute 55.74 seconds to overtake Girardelli, the defending overall champion.

Bill Johnson, the 1984 Olympic downhill champion from the United States, recorded the fastest time through the first intermediate clocking. But he made several mistakes in the middle portions of the course and finished 19th in 1:57.71.

Girardelli was timed in 1:56.25 in matching the best downhill performance of his career. His second place finish gained him 14 points, raised his season total to 241 and gave him an almost insurmountable lead for a second straight overall title. Müller failed to score and remained second with 199 points. *(UPI, AP)*

Winging It: The Race Is On for Perfect America's Cup Keel

By Barbara Lloyd
New York Times Service

NEW YORK — Don Huseman makes keels for sailboats. Until last year, most of the keels that he created from molten lead were conventional in design: mostly linear, wedge-shaped forms that were bolted to the bottoms of boats. Now the keels he makes are sprouting wings, and, in some cases, bulbed noses as well.

Huseman, who is president of Keelco Inc. of Wilmington, California, has orders to produce keels for five of the six U.S. 12-meter syndicates that are challenging for the America's Cup. Only the New York Yacht Club's America II group is having theirs formed elsewhere.

It is a tall order. Since the loss of the America's Cup to Australia in 1983, the company has received orders for nearly 20 winged keels of varying designs.

Huseman molded the lead keel for Liberty, the 12-meter that lost the cup to Australia II, a radically different boat. Liberty's keel was conventional; Australia II's sported wings.

"My personal goal was to make the keel on the winning cup boat," Huseman said recently from California. "But economically, it has almost been better for me that we didn't. If we'd won, I might be making only two to four keels this time."

Keelco workers take a concrete-like mixture of sand and glue to form a cast around them. The trick in laying a winged keel is in the way the molten lead is introduced into the cast once the wood pattern is removed. If done incorrectly, Huseman said, the keel would have the consistency of a chocolate milkshake. He used to ask his 15-year-old son to climb inside the form first to make sure that the parts were aligned properly. Now that the keels are becoming skinnier at the top, he said, he has asked his 9-year-old son to climb inside.

Huseman has conquered the technique so that a winged keel takes nearly the same amount of time to make as a conventional keel — about 400 man-hours. Each costs about $40,000.

Johan Valentijn, designer for the Eagle syndicate of Newport Beach, California, said recently that he doubted anyone would show up for the America's Cup trial races without a winged configuration.

Wings have come into vogue largely because of the success of Australia II. The design is particularly effective off Perth, Australia, where the America's Cup trial races are to begin Oct. 5. A winged keel tends to make a boat more stable in the high winds and choppy seas that prevail there. A sailboat that heels too far loses the power from its sails and its speed upwind.

The increased stability comes from lowering the boat's center of gravity by shifting the lead into the wings. A winged keel also redirects the flow of water around the vertical part of the keel, thus improving the boat's ability to sail to windward.

Leonard Greene and Roger Marshall, designers for the Courageous syndicate, created wings and a bulbous leading edge for the keel of Courageous IV. The bulb is a further attempt to concentrate weight low in the boat.

Security is high among the syndicates. Few designers, including Valentijn, will discuss their best ideas. And, in keeping with the mystique fostered by the Australians in 1983, most of the keels are covered when the boats are out of the water.

Greene, who is an aerospace scientist as well as chairman of the Courageous syndicate, is one of the few cup designers who has rejected secrecy. Since most of the new keels are drafted with highly sophisticated computer technology, he is convinced that it would be extremely difficult for another group to duplicate a design.

Huseman, who has seen most of the new keels, was particularly edgy for two months last year when a blimp from the Long Beach airport kept passing overhead. It turned out that it was not just any blimp; it belonged to Bond Corp., Alan Bond's Australian-based holding company.

Bond is the Perth entrepreneur whose syndicate won the America's Cup in 1983. Huseman said he made doubly sure that the keel molds were brought inside while the blimp passed. There were no indications that Bond's blimp was spying, but Huseman wanted to take no chances.

Benny Goodman, 76, Getting Back in the Swing

By Richard Harrington
Washington Post Service

NEW YORK — Benny Goodman's penthouse apartment, looking out over Third Avenue, is cluttered — but not with the ephemera of a glorious past, which is what one might expect of a man whose coronation as the king of swing took place more than 50 years ago and whose reign has not yet ended for countless fans.

What fills the room is an anticipation of present and future challenges. Goodman's time- and travel-battered clarinet case lies open on a couch, the instrument disassembled and curiously helpless-looking. The score to a Brahms sonata lies open on a coffee table, testimony to an hour and a half of morning practice for a concert. On the now-silent stereo set is a jumble of cassettes, including two recent Goodman projects — one classical, with the Berkshire String Quartet (private 1960s recordings only now being made available); the other a soon-to-be-released recording with his new big band.

On top of the piano that dominates the living room sits the score for "Benny's Gig," a piece for clarinet, bass and violin written by Morton Gould. "It's not really new, but I just never got around to it," Goodman said. The swing king is also a prince among modern classicists, not just for his superb playing but for the works he has commissioned from such composers as Copland, Bartok and Hindemith.

The rimless spectacles were long ago replaced by horn-rimmed glasses. Goodman's eyebrows seem perpetually raised, giving him a faintly quizzical look. At 76, he is just this side of taciturn, secure in his place in the history of American music, grumpily opinionated about the state of that music now.

As the first musician to successfully bridge the jazz/classical dichotomy (he recorded the Mozart Clarinet Concerto with the Budapest String Quartet in 1937; it has just been reissued), Goodman has few kind words for the latest wunderkind of two worlds, Wynton Marsalis.

"He's so undernourished, really, as a trumpet player," he said of Marsalis. "I don't think he's either a classical trumpet player or a jazz trumpet player. He does them quite badly, both of them, and gets along very well."

Goodman, whose playing has always been defined by dexterity, discipline and imagination, has no qualms about airing his opinions. "At my age," he said, with a smile permanently skewed from the positioning of the clarinet, "why the hell not? I'm the first one to acknowledge talent, and I have all over the place. But I'm not going to be psyched into all that hype crap."

For half a century, Goodman has been comfortably settled into the limbo between hype and acclaim. When he ushered in the swing era with his big-band appearances on NBC radio's "Let's Dance" in 1934 and a cross-country tour in 1935, he became one of American popular music's first media stars. Benny Goodman and his fascinating rhythms were inspiring riots at the Paramount more than a decade before Frank Sinatra. Goodman's career, one of the longest in terms of activity, is also one of the fullest, from his work as a sideman and soloist in the 1920s to his tenure as a popular band leader in the 1930s. The list of those with whom he has played is a virtual Who's Who of Jazz. And he was one of the first major artists to break the color line separating black and white musicians when he hired Teddy Wilson and Lionel Hampton in the mid-1930s.

Because he has survived and thrived, Goodman has had to endure the most stringent of comparisons: to himself. There have been times when he has been disenchanted with his performance, times when his inspiration seemed to wane and his invention become stale. He knows he will not play any particular tomorrow the way he did all those yesterdays.

"I can't," he said. The stamina is not there, he conceded, "considering what we used to do at the Paramount — seven shows a day, seven days a week."

Still, he added, "what you lose in physical — I mean, just standing up with a goddam clarinet at my age! — you gain in some other way, I think. In a sense it's easier for me to put a band together now, providing I have the right material.

"I tell you one thing," he added. "I wouldn't be out there if I couldn't play."

Just a few years ago, many of Goodman's fans and friends assumed he had made a quiet retirement. It wouldn't have been that much of a shock. He had had a series of operations, one for a back problem that had plagued him for decades, the other for a potentially fatal aneurism. ("They're no fun.") He had to abandon the concert stage for more than two years, and there were reports that he had stopped practicing (though there were private jam sessions at his apartment).

"But then I said, well, if I'm going to go, I'm going to go playing."

Starting a year ago he began making unannounced appearances, including one at the Kool Jazz Festival's tribute to his brother-in-law, the producer John Hammond. In October, he taped a special for public television that will be shown in March.

Those performances were notable if only because, Goodman said, "I don't like festivals and I never really wanted to go on television because that's not really the greatest place for a band either."

Larry Morris/The Washington Post

Goodman "meets that instrument."

As Goodman struggled to return to form, and struggled against the wear of time, were there moments when he was discouraged? "It's always discouraging when you're trying to play good music — it's a life of discouragement," he said. "But that's the way it goes. In the first place, you've got to meet that instrument every day in practice if you're serious about it."

Now, he said, getting ready for his daily swim at a nearby pool, "I feel pretty good."

There are a few concerts in the works, both big-band and classical, mostly fund-raisers. He wants to record the two Brahms sonatas. "I've got my work cut out for me."

He has never been one to speak kindly of latter-day pop styles, though an argument can be made that his brand of swing was every bit as much a protest (against the "sweet music" of the 1930s) as rock 'n' roll was in the 1950s (against bland pop).

His transformation from a precocious virtuoso in knee pants (Goodman made his professional debut at 12, joined the musicians' union at 14 and dropped out of high school at 16 for the jazz life) to a big-band leader whose music swung the nation for a decade was chronicled badly in Steve Allen's 1955 biofilm, better in Goodman's autobiography, "The Kingdom of Swing."

That was published 47 years ago. "It is rather ancient," Goodman acknowledged with a chortle. But he has no great desire to update it. "Not that I don't think certain things are nostalgic and wonderful."

Since dispersing his big band in 1944 (there have been short-term variations and revivals ever since, mostly smaller ensembles), Goodman has worked pretty much as he saw fit, moving comfortably between jazz and classical music, collecting dozens of degrees and honors. This week at the Grammy award ceremony, he will receive a lifetime achievement award.

His public-TV special will focus on the composing and arranging of Fletcher Henderson, the overlooked black composer and arranger who was one of the great pioneers of big-band jazz. "There's nobody better, is there?" Goodman said.

Henderson's big bands in the mid-1920s and early '30s inspired Goodman. In 1934, he hired Henderson as his principal arranger, a relationship that would continue off and on through 1947. Henderson, whose style was a brilliant meld of improvisation and arrangement, died in 1952, and his reputation has eroded steadily since.

Yet it was Henderson's brilliant, challenging charts that helped establish the Goodman band (many of the arrangements had been used by Henderson's band). And when Goodman's first cross-country tour in 1935 seemed destined to become a disastrous washout, Henderson's book came to the rescue late in the opening night at Los Angeles' Palomar — often called the opening night of the swing era.

"He was a great man, one of the key figures in jazz," Goodman said, "and I think his place has been completely forgotten in this whole melee of black composers. He doesn't have any disciples to speak of, whereas there's always a band somewhere playing a tribute to Count Basie or Duke Ellington — and thank God that somebody is still playing their music.

"It's hard to do a tribute to Fletcher. I hope we've succeeded, I really do. To me, he was the greatest arranger of the whole bunch. He had this genius about him, and he was tuneful. When he came in with an arrangement, it was really an occasion. Everybody'd be just knocked out, and then, of course, we'd have to learn it."

Goodman is as strict a disciplinarian now as he was half a century ago. "I want a band to start and play together," he said. "That's not being overstrict." His old bands, he said, "were wonderfully principled and strict themselves. They got to be just as bad as I was. There were quite a few qualities about those men that I find disappearing nowadays."

The problem is not just in jazz, he added, pointing to the recent reissue of his 1937 Mozart concerto with the Budapest String Quartet. "Even they played it quite completely differently than anyone today — a different tempo, no schmaltz, a straight-ahead kind of performance. I defy you to hear string quartets playing like this now."

LANGUAGE

Taking Umbrage at Cultural Slurs

By William Safire

WASHINGTON — People are becoming more sensitive to racial, religious or cultural slurs. Some take umbrage, others take offense, and a few take pen in hand to demand that whoever is in charge of the language take action to change meanings or put a stop to common usage. One example: *tribe*.

Mangosuthu G. Buthelezi is chief minister of the KwaZulu homeland and chairman of the South African Black Alliance. He takes umbrage at anybody who calls the Zulus a "tribe." In a letter to The Washington Post, Buthelezi writes: "We Zulus regard it as a gross insult to be described . . . as 'a tribe.' The Zulu people were a sovereign nation with a king until July 4, 1879, when they were crushed in a defeat by the might of the British army. . . . The fact that as a nation we were conquered does not make us 'a tribe.'" He compares the seven million Zulus with the half million Swazis, whose Swaziland is a nation represented in the United Nations, and calls on commentators to stop insulting his people by describing them as a mere *tribe*.

The root of *tribe* is probably the Latin *tri-*, "three"; a *tribus* was one of three groups into which Romans originally were divided. For a time, the word meant "clan, community under a leader or chief, from common ancestors," but in time has come to connote a preliterate society. (*Preliterate* is a euphemism for *illiterate*, suggesting that literacy is surely on the way.) American Indians, who look askance at the Washington Redskins and prefer to be called "Native Americans," find no slur in the word *tribe*, though their leaders often prefer *nation*, as in *the Cherokee nation*, when referring to a group of tribes.

A couple of decades ago, denizens of a New York restaurant run by Toots Shor called themselves "the Tribe" (Shor called us "crumbums") and, for a time, American Jews used M.O.T. — "member of the tribe" — as a self-mocking identification. Groups as diverse as travel agents and literary lights are sometimes referred to as *tribes*, with a faint derogation.

So is *tribe* a slur? The word's meaning today is most often "a primitive society," secondarily "a clannish or ethnocentric group"; *tribe* can cause offense, whether or not intended, and I would not direct it at a member of the Zulu nation.

JUST because some people take offense at a word, however, does not automatically banish the word from the English language. For example, the colloquial verb *to gyp* — "to cheat, shortchange, swindle" — comes from a slur at Gypsies, wandering tribes of dark-skinned people who were targets of Hitler's master-race murderers. If I were a Gypsy politician campaigning on an honesty-in-fortunetelling platform, I might take offense, but the word is deeply ingrained in the language and only one syllable of the group's name is used; therefore, it is hypersensitive to take it as a slur. Egyptians, from whose name the word gypsy erroneously originated, are usually unaware of the etymology and are not offended. (*Gypsy cab*, which uses both syllables, stresses the "wandering" meaning of *gypsy*, which is descriptive and not derogatory.)

That one-syllable distinction is legitimate, I think: if the common usage were *I was gypsied*, I would stigmatize the verb as a slur and cast it forth. I have already done that with *to welsh*, a slang term meaning "to refuse to pay a debt," especially a gambling debt; people from Wales are no more inclined to refuse to pay off than are Scots or Gypsies or Zulus, and Welshmen are right to complain when the very name of their language is used as an insult.

ANOTHER example: *pharisee*. In a political piece about the fads and fashions of our society, I condemned "the fiercely fawning fickleness of foreign-policy pharisees," following up with a blast at their fecklessness by asking "What caused the pharisaic flip-flop?" (There may be a philological term for "excessive use of alliteration," but I don't want to know it.)

"Must you use the word *Pharisaic*," writes Herbert H. Paper of the Hebrew Union College in Cincinnati, "in its traditional Christian anti-Semitic sense?"

Now hold on: "Woe unto you, scribes and Pharisees, hypocrites!" is a denunciation repeated eight times in the New Testament Gospels; *Pharisees* were members of a sect in Judaism who were portrayed as sticklers for religious observance without a true spirit of religion, and their name became synonymous with hypocrisy, self-righteousness and pitiless piety.

As it happens, I know the world's leading expert on the subject. Jacob Neusner, professor of Judaic studies at Brown University, is the author of the classic three-volume study of the rabbis before A.D. 70 and of "From Politics to Piety: The Emergence of Pharisaic Judaism." Neusner tells me my correspondents have a good point: "The Pharisees were a group of lay people who aspired to live in their homes as if they were priests in the holy temple in Jerusalem. They were holy women and men living in the midst of secular society."

Let us assume, purely for the purpose of linguistic argument, that Neusner is right and the Pharisees got a raw deal from the Gospels, Josephus and subsequent historians. Does that mean that the long-understood meaning of the word changes? Put another way: If it turns out that Machiavelli was a nice guy, or if modern research shows that Byzantinm was a place of plain dealing, do we change the meaning of the words *Machiavellian* and *Byzantine*?

No; at least, not overnight. All we do is put a little red flag next to the word in our minds: This word is in dispute. Some people think it's a slanted word, subtle propaganda to get us to knock somebody or some idea; watch it.

In this case, the red flag has a double meaning: for some reason, *pharisaic* has become one of the favorite terms in Soviet propaganda. Pravda slammed a human-rights meeting in 1978 with Pope Paul VI as part of a Washington effort "for fanning up its pharisaical campaign"; Izvestia in 1980 inveighed against West German support for Poland's workers as "dark hints, Pharisaical warnings and provocative inventions"; a Soviet United Nations representative in 1984 called the United States' interest in Andrei D. Sakharov "pharisaical preaching"; and Tass described American statements before the Geneva summit in 1985 as "the ultimate in Pharisaism."

Evidently the Soviet propagandists like to tinge their anti-American charges with a little subtle anti-Semitism. The word *pharisaism* has overtones that we would do well to understand.

New York Times Service

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